

DOCUMENT RESUME

ED 116 306

EA 007 788

TITLE	Oversight on Education Amendments of 1974. Hearing Before the Subcommittee on Elementary, Secondary, and Vocational Education of the Committee on Education and Labor, House of Representatives, Ninety-fourth Congress, First Session on H.R. 3801.
INSTITUTION	Congress of the U.S., Washington, D.C. House Committee on Education and Labor.
PUB DATE	3 Jun 75
NOTE	169p.; Bill to make certain technical and perfecting amendments to the Educational Amendments of 1974 (Public Law 93-380)
EDRS PRICE	MF-\$0.76 HC-\$8.24 Plus Postage
DESCRIPTORS	*Educational Legislation; *Federal Legislation; *Federal Programs; *Federal State Relationship; Reading Programs; Tables (Data)

ABSTRACT

The amendments that compose H.R. 3801 are listed. Testimony follows by witnesses from the administration, from five state departments of education, and from the National Association for Public Continuing and Adult Education. The amendments are classified into four separate categories: (1) technical amendments that correct grammatical errors or erroneous cross-references and change dates of some of the mandated studies and reports; (2) minor substantive amendments; (3) amendments to the national reading improvement program; and (4) amendments regarding the intrastate allocation of Title I funds. (Author/MLF)

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OVERSIGHT ON EDUCATION AMENDMENTS OF 1974

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HEARING

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR

HOUSE OF REPRESENTATIVES

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

H.R. 3801

TO MAKE CERTAIN TECHNICAL AND PERFECTING AMENDMENTS TO THE EDUCATION AMENDMENTS OF 1974 (PUBLIC LAW 93-380)

HEARING HELD IN WASHINGTON, D.C.

JUNE 3, 1975

Printed for the use of the Committee on Education and Labor
CARL D. PERKINS, Chairman



U.S. GOVERNMENT PRINTING OFFICE

59-352

WASHINGTON : 1975

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OVERSIGHT ON EDUCATION AMENDMENTS OF 1974

TUESDAY, JUNE 3, 1975

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ELEMENTARY,
SECONDARY, AND VOCATIONAL EDUCATION
OF THE COMMITTEE ON EDUCATION AND LABOR,

Washington, D.C.

The subcommittee met at 9:35 a.m., pursuant to notice, in room 2175, Rayburn House Office Building, Hon. Carl D. Perkins (chairman of the committee) presiding.

Members present: Representatives Perkins, Ford, Lehman, Risenhoover, Mottl, Hall, Quie, Buchanan, Jeffords, and Goodling.

Staff members present: John F. Jennings, majority counsel; Chris Cross; minority senior education consultant.

[Text of H.R. 3801 follows:]

[H.R. 3801, 94th Cong., 1st sess.]

A BILL To make certain technical and perfecting amendments to the Education Amendments of 1974 (Public Law 93-380).

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Education Amendments of 1974 is amended:

(1) in section 101(a)(3) by inserting "122, and 123" immediately after "121" and by inserting "127, and 128, respectively," immediately after "126" and before the period;

(2) in section 103(a)(2) by inserting "of section 301(b)" immediately after "The second sentence" and by striking out "and each of the five succeeding fiscal years";

(3) in section 305(a) by inserting "(b)(1)" immediately before "The amendments made by paragraphs (1) and (2)" which follows the matter in quotation marks in paragraph (3) of such section;

(4) in section 402(a)(2) by striking out "July 24, 1954" and inserting in lieu thereof "July 26, 1954";

(5) in section 405 by striking out "(f)(1) The Commissioner shall establish or designate a clearing-the second time it appears therein and by inserting in lieu thereof "(3) Appointments to the advisory council shall be completed";

(6) in section 406(e) by striking out "November 1, 1975" and inserting in lieu thereof "February 1, 1976";

(7) in section 406(g)(4) by striking out "November 1, 1975" and inserting in lieu thereof "February 1, 1976";

(8)(A) in section 408(d)(2)(B) by striking out "(a)" and inserting in lieu thereof "(d)(1)";

(B) in section 408(d) by striking out paragraph (3) and redesignating paragraph (4) as paragraph (3);

(C) in the third sentence of section 408(f)(1) by inserting "from among the members indicated in clause (A)" after "Chairman";

(D) in section 408(f)(4) by striking out "not later than a year" and inserting "not later than fifteen months";

(1)

(E) in section 408 by designating the second subsection (f) as subsection (g);

(9) in section 502(a)(2)(B)(II) by striking out "subsection (f)" and inserting in lieu thereof "paragraph (1) of subsection (f)" and by striking out "(2)" in the following paragraph;

(10) in section 511(b) by striking out "July 1, 1974" and inserting in lieu thereof "July 1, 1975";

(11) in section 516(a) by striking out "433" and inserting in lieu thereof "443";

(12) in section 612(b)(1) by striking out "to the Office" in the second sentence and inserting in lieu thereof "to the Bureau";

(13) in section 645 by striking out "Elementary" and inserting in lieu thereof "Emergency";

(14) in section 705(e)(3) by inserting "at" before "which such prelementary";

(15) in section 714 by inserting at the end thereof the following new subsection:

"(f) The functions of the State Advisory Council on Reading, required to be established by subsection (a)(2) of this section, may be carried out by the State advisory council created pursuant to section 705(d)(1)."

(16) in section 731(a) by striking out "March 31" and inserting in lieu thereof "February 1";

(17)(A) in section 822(a) by striking out "one year after the date of enactment of this Act" and inserting in lieu thereof "December 31, 1976";

(B) in section 822(b) by striking out "one year after the date of enactment of this Act" and inserting in lieu thereof "six months after the completion of the survey authorized by subsection (a)";

(18) in section 823(2) by striking out "than one year after the effective date of this Act" and by inserting in lieu thereof "than December 31, 1975";

(19) in section 824(b) by striking out "one year after the date of enactment of this Act" and by inserting in lieu thereof "November 30, 1975";

(20) by amending the first sentence of section 825(b) to read as follows: "The Secretary shall request each State educational agency to take the steps necessary to establish and maintain appropriate records to facilitate the compilation of information specified in subsection (a) and to submit such information to him no later than June 1, 1976.";

(21) in section 826(a) by—

(A) inserting "of a representative sample of schools" after "investigation and study";

(B) striking out in paragraph (1) "sixty days after the enactment of this Act" and inserting in lieu thereof "July 1, 1975";

(22) in section 826(b) by striking out "Within fifty days after the enactment of this Act, the" and inserting in lieu thereof "The", by striking out "sixty days after the date of enactment of this Act" and by inserting in lieu thereof "July 1, 1975", and by striking out in the second sentence "the date of enactment of this Act" and by inserting in lieu thereof "such date";

(23) in section 831 by striking out "111" and by inserting in lieu thereof "110";

(24) in section 837 by inserting "of the Higher Education Act of 1965" after "section 1001(b)(1)"; and

(25) in section 845(e) by striking out "708(a)" and by inserting in lieu thereof "732(a)" and by striking out "continued" and inserting in lieu thereof "continue"; and in section 845(f) by striking out "310(b)" and inserting in lieu thereof "311(b)".

(b) Title I of the Elementary and Secondary Education Act of 1965 is amended—

(1) in section 126(b) by striking out "clauses (2), (5), (6), and (7) of section 103(a)," and inserting in lieu thereof "sections 103(a)(2), 121, 122, and 123.";

(2) in section 141(a)(13) by striking out "140" and inserting in lieu thereof "150";

(3) in section 141(a)(1)(A) by inserting "eligible" after "children";

(4) in section 151(g) by striking out "January 31, 1975" and inserting in lieu thereof "February 1, 1975", and by striking out "January 31" the second time it appears and inserting in lieu thereof "February 1";

(c) Section 204(b) of the Elementary and Secondary Education Act of 1965 is amended by striking out "1973" and inserting in lieu thereof "1978".

(d) Title VII of the Elementary and Secondary Education Act of 1965 is amended—

(1) In section 731(c), by striking out "November 1, 1975" and inserting in lieu thereof "June 30, 1976" and by striking out "of 1977" and by inserting in lieu thereof "February 1, 1978";

(2) In section 732(c), by striking out "November 1" and inserting in lieu thereof "March 31";

(3) in section 742 by inserting "of the National Institute of Education" after "Director" wherever that word appears.

(e) (1) Section 4(b)(1) of Special Projects Act is amended by striking out "February 1" and inserting in lieu thereof "June 1".

(2) Section 403(b) of the Elementary and Secondary Education Act of 1965 is amended by inserting at the end thereof the following new paragraph:

"(5) During the fiscal year preceding the first fiscal year for which funds are appropriated pursuant to any part of this title, the State educational agency may use administrative funds available to the State under any program specified in section 401(e) for the purpose of carrying out the requirements of this subsection."

(3) Section 431(a)(2) of the Elementary and Secondary Education Act of 1965 is amended by striking out "or private educational organizations".

(f) The General Education Provisions Act is amended

(1) In section 408 by striking out subsection (c) thereof, and in section 400(c)(1) by redesignating clauses (A) through (F) as clauses (B) through

(G), respectively, and by inserting before clause (B), as so redesignated, the following new clause:

"(A) 'Administrative head of an education agency' means the Commissioner and the Director of the National Institute of Education. To the extent that the Assistant Secretary is directly responsible for the administration of a program and to the extent that the Assistant Secretary is responsible for the supervision of the National Center for Education Statistics, the Assistant Secretary shall, for such purposes, be considered within the meaning of such term."

(2) In section 406(d)(1) by striking out "March 1 of each year" and inserting in lieu thereof "three months before the end of each fiscal year";

(3) in section 403(c)(3) by striking out "November 1" and inserting in lieu thereof "February 1";

(4) in section 417(a)(1) by striking out "November 1" and inserting in lieu thereof "February 1";

(5) in section 437(a) by striking out "within sixty days" and inserting in lieu thereof "within ninety days";

(6) in section 437(b) by striking out "October 15" and inserting in lieu thereof "March 31".

(g) Section 310A(b)(2)(A) of the Adult Education Act is amended by striking out "approval" and inserting in lieu thereof "approved".

(h) Sections 652(b)(3), 652(b)(4), and 652(b)(5) of the Education of the Handicapped Act are amended by striking out "grant and contract" and inserting in lieu thereof "grant or contract".

(i) Section 709(a) of the Emergency School Aid Act is amended by inserting "Assistant" before "Secretary".

(j) (1) Section 194(b) of the Vocational Education Act of 1963 is amended by striking out "Secretary" and inserting in lieu thereof "Commissioner".

(2) Section 197(a)(2) of such Act is amended by striking out "to an agency" and inserting in lieu thereof "by an agency".

(k) Section 651(a) of the Education Amendments of 1978 is amended to read as follows:

"Sec. 651. (a) Section 301 of the National Defense Education Act of 1958 is amended by striking out '1975' both times it appears and inserting '1977' in lieu thereof, and by adding at the end thereof the following new sentence: 'Notwithstanding the preceding two sentences, no funds are authorized to be appropriated for obligation during any year for which funds are available for obligation for carrying out part B of title IV of the Elementary and Secondary Education Act of 1965.'"

(l) Section 801 of the Elementary and Secondary Education Act of 1965 is amended by inserting "IV," after "title II, III," the first time it appears in that section.

Chairman PERKINS. The committee will come to order. A quorum is present.

The Subcommittee on Elementary, Secondary and Vocational Education is conducting an oversight hearing today on the Education Amendments of 1974, Public Law 93-380. The purpose of this hearing is to receive testimony on the need for technical and minor amendments to that public law.

We are pleased to have with us witnesses from the administration, from five State departments of education, and from the National Association for Public Continuing and Adult Education.

Our hearing record will remain open until June 20 in order to receive statements from any other individuals or organizations who may be interested in submitting views.

Our first witness this morning is Dr. Duane J. Mattheis, Executive Deputy Commissioner, Office of Education.

Dr. Mattheis, you may go ahead.

STATEMENT BY DUANE J. MATTHEIS, EXECUTIVE DEPUTY COMMISSIONER, U.S. OFFICE OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ACCCOMPANIED BY RICHARD A. HASTINGS, ACTING DEPUTY ASSISTANT SECRETARY FOR LEGISLATION; AND ALBERT L. ALFORD, ASSISTANT COMMISSIONER FOR LEGISLATION, OFFICE OF EDUCATION

Dr. MATTHEIS. Mr. Chairman, I appreciate the opportunity to appear before this distinguished subcommittee today on behalf of the Education Division to discuss our proposed technical and minor amendments to Public Law 93-380, the Education Amendments of 1974.

Since the Division began to implement this new authorizing legislation in August 1975, the program managers in all our bureaus have been noting provisions in the law which contain technical errors or other minor substantive changes that are necessary for the efficient administration of the law.

This morning, in an effort to conserve time, I would simply like to highlight several of these amendments which we consider to be most important to the agency.

However, I have with me for submission for the record extensive background and justification documents for these amendments. I hope these documents will prove to be helpful to the subcommittee during its deliberations.

Let me say from the outset, Mr. Chairman, that we have classified our amendments into four separate packages for the purpose of our discussion. Those categories are: Technical amendments; minor substantive amendments; amendments to the national reading improvement program; and amendments regarding the intrastate allocation of title I funds.

I will briefly address myself to each of these topics in turn.

First, the technical amendments to Public Law 93-380. This first group of amendments is purely technical amendments to Public Law 93-380, which, in general, correct grammatical errors or erroneous

cross-references, and change dates of some of the mandated studies and reports.

We hope you will agree with our assessment that these amendments are noncontroversial, but their enactment is nonetheless critical to our programs. Most of these technical amendments are contained in H.R. 3801 which was introduced on February 26.

I should point out, however, that we are now requesting a few new amendments and several modifications to that bill.

As you are aware, Public Law 93-380 has mandated the submission of a large number of evaluation and study reports to the Congress by either the Secretary, the Assistant Secretary for Education, or the Commissioner of Education. These reports will be conducted under the auspices of the Office of Planning, Budgeting and Evaluation of the Office of Education, the National Center for Education Statistics, and the National Institute of Education. During careful analysis of the legislation and during a series of meetings held in the late summer and fall with congressional staff, a number of problems surfaced that require resolution. Included were dates which were not adjusted in the conference action to reflect the time lag between the initial inclusion in the House or Senate version and final passage.

In relation to the research and statistical studies being conducted by NCES, the submission dates are too early, considering the magnitude, complexity, or timing of the necessary data collection effort. Although we might be able to meet some of these mandated dates, we would undoubtedly have to sacrifice the quality of the data and the usefulness of the reports. The Education Division fully appreciates the importance of these projects, and is making every effort to expedite their completion, but I want to stress that our paramount concern is to provide the Congress and the education community with the high quality information which they are entitled to receive.

I will concentrate my comments on two studies, the safe school study and the study of athletic injuries. In regards to the safe school study, we request that you extend the date when the Secretary is to have the required information submitted to him to July 15, 1976. You should know that the study has been divided into two parts:

(1) a sample survey of offenses and property losses from schools and school districts, which is being carried out by NCES, and

(2) a research study on the effectiveness of crime prevention methods and their impact upon the instructional process, which is being conducted by NIE. The sample survey will be completed by July 1975, but the research study cannot be completed until well into calendar 1976. The planning for this research study has been long and involved because of the sensitivity of the issue and the need for confidentiality. Thus, many design and review steps have been required and the award of the contract is now expected next month. Allowing time for the contractor to execute the design and to process the information brings a reasonable completion date well into 1976. Also, the date change will allow any new data collected for the period of the academic year 1975-76 to include the full academic year.

In the case of the study of athletic injuries, we request that the study be conducted on the basis of a representative sample of schools for the 12-month period beginning July 1, 1975. It is planned to use a 16-

percent representative sample of nearly 24,000 secondary schools and institutions of higher education. The law provides for a survey of October 21, 1974 to October 21, 1975. Given the time necessary for the careful design of the form and OMB clearance, the explanatory contact with the schools has been scheduled and is taking place after the date of October 21, 1974. Thus, there would be retrospective reporting based on memory. Experience indicates memory based on retrospective data is less dependable than data collected on a current basis. Also, the mandated dates would cover two partial football seasons so that accurate and precise data for a single season would not be acquired.

In the case of the evaluation reports, it is apparent that the existing submission dates are based upon a July 1st through June 30th fiscal year. Since the enactment of the Congressional Budget and Impoundment Control Act of 1974, Public Law 93-344, providing for a new fiscal year—October 1st through September 30th—the submission dates need to be modified in order that those reports can be prepared and submitted so as to cover the preceding fiscal year.

Several important evaluation studies such as the Secretary's annual evaluation report, the regional reading improvement program, bilingual education, and title I studies are affected and require appropriate date changes.

The second group of amendments we are proposing makes six small, yet substantive, changes in statutes amended by Public Law 93-380.

The one which we feel is most important would make forward funding for title I a reality by moving the date for collection of AFDC caseload data. We have learned from the first year of experience with title I forward funding that even if appropriations are made 1 year in advance, the January date for collection of welfare data, even under ideal circumstances, pushes the actual allocation process well into the late spring, too late for school districts which plan their budget and sign teacher contracts in March, April, and May.

Therefore, we are proposing a July date for collection of AFDC caseload data for title I purposes. This will allow us to make State allocations by the following January, which will allow States to make their suballocations before the beginning of the school district's spring budgeting period. We anticipate that the time period between July and January will allow the more than 3,000 counties involved, 4 months, rather than the 3 months contemplated by the current law, to submit accurate AFDC caseload data and will give the Office of Education 2 months to process these data and actually make the State allocations.

Turning our attention next to our proposed amendments to the national reading improvement program, the primary purpose of these amendments is to provide more flexibility in the types of projects which can be funded and to authorize the Office of Education to continue, under the new program, a number of initiatives currently being conducted under the right to read effort.

As you know, the right to read effort is presently funded under the Cooperative Research Act, but appropriations for the Office of Education's reading activities for fiscal year 1976 will be provided under the authority of title VII of the Education Amendments of 1974. Since that authority is mainly designed for support of reading projects carried out by local education agencies, State leadership activities can

only be funded if the appropriation for title VII exceeds \$30,000,000. Therefore, we are proposing an amendment to part A to authorize State leadership and training activities designed to prepare persons throughout the State to conduct reading projects which have proven to be effective.

We are proposing an additional authority to part C which would provide support for innovation and development projects and activities which show promise of having a substantial impact in overcoming reading deficiencies of youth and adults through incorporation into on-going State and local education systems. Such projects are an important part of our right to read strategy, but they are not authorized under title VII in its present form.

Next we propose an amendment to section 705(b) to eliminate the mandatory nature of the 14 requirements specified for LEA projects. While we agree that those specifications are laudable goals, we do not believe they will necessarily apply to every reading project. Therefore, our amendment would require the application of those criteria "to the extent practicable."

Also, we request an amendment to authorize the Commissioner to reimburse SEA's for the costs of carrying out their responsibilities under part A, including the costs of establishing and operating the State advisory council required by section 705(d).

The amount of such payments could not exceed 5 percent of the total amount of grants made within a State under part A.

Since the Office of Education has received a number of offers from private individuals and organizations of contributions to right to read, we are proposing an amendment to the General Education Provisions Act to clearly authorize acceptance of gifts and donations which are made for the benefit of the agency or for the carrying out of any of its functions.

Although these amendments are modest in scope, they will enable the Office of Education to continue the right to read strategy which thus far has shown great promise of significantly reducing reading deficiencies in the Nation.

Finally, Mr. Chairman, I would like to draw your attention to our fourth package of amendments designed to provide a more equitable and efficient means of allocating title I funds among local educational agencies within a State.

It has been brought to our attention that several States have problems making subcounty allocations to title I funds because of the large numbers of school districts crossing county lines. In some cases, a school district may be located in two or three counties, making the State's task of calculating subcounty allocations nearly unsurmountable. In Pennsylvania, for instance, the large number of cross-county school districts means the State has to make over 685 separate allotments to distribute funds to the State's 505 local school districts. Six other States have similar problems in allocating title I funds. This problem has led these States to allocate title I funds on a statewide basis, without regard to county amounts, and thus to be in technical noncompliance with the title I statute.

Therefore, our proposal is to authorize this distribution procedure where such impracticalities occur, as long as the distribution of title I

funds reasonably approximates the distribution throughout the State of children counted under the title I formula.

We feel that the provision just mentioned will prevent States from using this amendment to choose their own measure of poverty for intra-State distribution of title I funds significantly different from the statutory definition, which is the best measure we have at present down to the county level.

We are also proposing a means of sharing title I "hold-harmless" costs statewide rather than within counties. Sharing such costs only within counties has the inequitable result of disproportionately burdening, with hold-harmless costs, local educational agencies which happen to be located in counties with other districts entitled to hold-harmless payments.

In conclusion, Mr. Chairman, I want to reiterate the importance which the Education Division places on these amendments which will aid in a smooth implementation of our new education law. Therefore, we request your cooperation in the timely passage of these amendments.

I, and my colleagues, would be pleased to answer any questions that you might have.

[Document previously referred to follows:]

PART I—MANDATED STUDIES AND REPORTS

A. CAREER EDUCATION

1. Amendment. The Education Amendments of 1974 is amended in section 406(e) by striking out "November 1, 1975" and inserting in lieu thereof "May 1, 1976".

Justification. Extends the reporting date to Congress of the Commissioner's survey and assessment of the status of career education programs, projects, curriculums, and materials in the United States for six months. The extra time is required to collect the necessary data from a national sample of local education agencies. Secondly, the study is meant to be coordinated with the National Advisory Council for Career Education. Due to a four month delay in appointing the Council, it is now necessary to request a due date of May 1, 1976. The Office of Education is now in the process of awarding the contract for the study which is scheduled to begin in mid-June. After completion the Advisory Council will need time to review the findings and formulate recommendations for inclusion in the report to Congress.

Cross Reference

H.R. 3801, Sec. (a) (6)—This reflects a change from what appears in H.R. 3801.

2. Amendment. The Education Amendments of 1974 is amended in section 406(g)(4) by striking out "November 1, 1975" and inserting in lieu thereof "May 1, 1976".

Justification. Provides a six month extension, identical to the extension for the Commissioner's report (Sec 406(e), P.L. 93-380), for the National Advisory Council for Career Education report to the Congress. The two reports are identical in mandated content and the Commissioner's report is to include the recommendations of the Advisory Council.

Cross Reference

H.R. 3801, Sec. (a) (7)—This reflects a change from what appears in H.R. 3801.

B. WOMEN'S EDUCATIONAL EQUITY

Amendment. The Education Amendments of 1974 is amended in section 408(f) (4) by striking out "not later than a year" and inserting "not later than twenty months".

Justification. Extends for eight months the report to the National Advisory Council on Women's Educational Programs of the Commissioner's national comprehensive review of sex discrimination in education. The reporting date mandated in the Act is August 21, 1975. In order to meet the deadline, the award

of contract for three component studies (employment practices of personnel from pre-school through post-secondary education; availability of guidance and counseling from junior high school through post-secondary education; access to post-secondary education) would have been required in December, 1974. This was impossible because funds were not appropriated early enough, and the total contract procedure, including competitive bidding, normally requires three or more months. Once awarded, the contractors will require a minimum of six months to prepare and submit the first drafts at the earliest in January 1976. After allowing one month for review by the agency and return of the first draft to the contractor in February, the contractor must then be permitted a minimum of two working months for the preparation and submission of the second draft, or April, 1976.

Cross Reference

H.R. 3801, Sec. (a)(8)(D)—This reflects a change from what appears in H.R. 3801.

C. NATIONAL READING IMPROVEMENT PROGRAM

Amendment. The Education Amendments of 1974 is amended in section 731(a) by striking out "March 31" and inserting in lieu thereof "February 1".

Justification. Conforms the date for submission to the Congressional education committees of the Commissioner's annual evaluation report on the National Reading Improvement Program to the requested date change for the submission of the Annual Evaluation Report by the Secretary as mandated in section 506(a) (3)(C) of P.L. 93-380 which added Section 417 of the General Education Provisions Act. It should be noted that the provisions of the legislation are just starting to be implemented, that evaluation studies are being designed and there will be no hard assessment information available much before 1977.

Cross Reference

H.R. 3801, Sec. (a)(16).

D. SURVEY AND STUDY FOR UPDATING THE NUMBER OF CHILDREN COUNTED FOR PURPOSES OF SECTION 103(C)(1)(A) OF TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

1. Amendment. The Education Amendments of 1974 is amended in section 822(a) by striking out "one year after the date of enactment of this Act" and inserting in lieu thereof "December 31, 1976".

Justification. The Director of the Bureau of the Census has written to the Chairmen of the House and Senate education committees informing them that the original deadline in the law cannot be met, since the data cannot be delivered prior to the fall of 1976. The Census Bureau is in the process of specifying a sampling design in consultation with HEW technical staff for 125,000 to 160,000 households which will be interviewed in the Spring of 1976 (March, April, and May) in addition to the approximately 55,000 households of the regular March 1976 "Current Population Survey" (CPS). (This additional sample will include Puerto Rico). The combined basic CPS and additional sample will provide State-by-State estimates of school-age children (5-14) in poverty with a planned coefficient of variation of 10%. The additional sample will also provide State estimates of persons with English language difficulty (as part of the P.L. 93-380, Section 105, "Bilingual Education Programs" requirements). Processing of the data, including transferring it to computer tape, tabulating it, and performing varied analyses will begin after the interviews are completed and should be completed late in calendar year 1976.

Cross Reference

H.R. 3801, Sec. (a)(17)(A).

2. Amendment. The Education Amendments of 1974 is amended in section 822(b) by striking out "one year after the date of enactment of this Act" and inserting in lieu thereof "six months after the completion of the survey authorized by section (a)".

Justification. Development of regression models for use in analyzing substate data has begun. The study is dependent upon data to be collected in the Section 822(a) survey and will be completed in June 1977, six months after the Section 822(a) survey is completed.

Cross Reference

H.R. 3801, Sec. (a) (17) (B).

E. STUDY OF THE MEASURE OF POVERTY USED UNDER TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

Amendment. The Education Amendments of 1974 is amended in section 823 (2) by striking out "than one year after the effective date of this Act" and by inserting in lieu thereof "than December 31, 1975".

Justification. This four month date extension is necessary due to delays resulting from the unavailability of funds for contracting and from the necessity of establishing a cooperative mechanism within the Department and among other Federal agencies. Due to the potential effects of study results in poverty related programs throughout the Federal Government, and because of dependency on large data bases maintained by various Federal Departments and Agencies, an inter-Departmental working committee has been formed to coordinate the study effort. Responsibilities for completing the various sections of the study have been assigned and work is proceeding on schedule. Expected completion date is December 31, 1975.

Cross Reference

H.R. 3801, Sec. (a) (18).

F. STUDY OF LATE FUNDING OF ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

Amendment. The Education Amendments of 1974 is amended in section 824 (b) by striking out "one year after the date of enactment of this Act" and by inserting in lieu thereof "January 31, 1976".

Justification. P.L. 93-380 calls for a report under this Section on the study of late funding by August 21, 1975. Although the Office of Education began the procurement process for the contract in September, 1974, there were delays in the contracting process and an award was not made until April 25, 1975. Therefore, eight months of the presumed year required were used up before the study began. The five month extension of the report will allow OE nine months to do the job. The contractor, Peat, Marwick and Mitchell, has started the study and is developing the forms for data collection to be submitted to OMB for clearance. Data collection is scheduled to be conducted July through September 1975. Analysis and report preparation will take place during October through December. The final report is scheduled for January.

Cross Reference

H.R. 3801, Sec. (a) (19)—This reflects a change from what appears in H.R. 3801.

G. SAFE SCHOOL STUDY

Amendment. The Education Amendments of 1974 is amended by amending the first sentence of section 825(b) to read as follows: "The Secretary shall request each State educational agency to take the steps necessary to establish and maintain appropriate records to facilitate the compilation of information specified in subsection (a) and to submit such information to him no later than July 15, 1976".

Justification. The Safe School Study has been divided into two parts: (1) a sample survey of offenses and property losses from schools and school districts which is being carried out by the National Center for Education Statistics; and, (2) a research study on the effectiveness of crime prevention methods and their impact upon the instructional process which is being carried out by the National Institute of Education. The sample survey will be completed by July 1975; the research study cannot be completed until well into calendar 1976. The planning for this research study has been long and involved because of the sensitivity of the area and the need for confidentiality. Thus, many design and review steps have been required and the award of the contract is now expected in June 1975. Allowing time for the contractor to execute the design and to process the information brings a reasonable completion date well into 1976. Also the date change will allow any new data collected for the period of the academic year 1975-76 to include the full academic year, which extends into mid or late June in some places. The proposed change in the language of subsection (b) will

permit the Secretary to comply with the new requirement without changing the basic intent of the original purpose of the study.

Cross Reference

H.R. 3801, Sec. (a) (20)—This reflects a change from what appears in H.R. 3801.

H. STUDY OF ATHLETIC INJURIES

1. *Amendment.* The Education Amendments of 1974 is amended in section 826(a) by—

(A) inserting “of a representative sample of schools” after “investigation and study”;

(B) striking out in paragraph (1) “sixty days after the enactment of this Act” and inserting in lieu thereof “July 1, 1975”.

Cross Reference

H.R. 3801, Sec. (a) (21) (A) and (B).

2. *Amendment.* The Education Amendments of 1974 is amended in section 826(b) by striking out “Within fifty days after the enactment of this Act, the” and inserting in lieu thereof “The”, by striking out “sixty days after the date of enactment of this Act” and by inserting in lieu thereof “July 1, 1975”, and by striking out in the second sentence “the date of enactment of this Act” and by inserting in lieu thereof “such date”.

Justification for Amendments 1 and 2. Since only \$75,000 is available for this study, a 30 percent representative sample of the nearly 24,000 secondary schools and institutions of higher education must be used. The law mandates that the survey year is to begin 60 days after enactment. Since the law was enacted August 21, 1974, the survey year would be from October 21, 1974-October 21, 1975. Given the necessary time for careful designing of the form and for clearance of the form and survey procedure by OMB, the explanatory contact with the schools has been scheduled and is taking place months after the date of October 21, 1974. Thus, there would be retrospective reporting, based on memory. Considerable research and experience shows conclusively that memory-based retrospective data is less dependable than data collected in an ongoing fashion. Also, these dates would split two football seasons so that accurate and precise data for a single season would not be acquired. The use of a single school year will produce much better results.

Cross Reference

H.R. 3801, Sec. (a) (22).

I. BILINGUAL EDUCATION

1. *Amendment.* Title VII of the Elementary and Secondary Education Act of 1965 is amended in section 731(c) by striking out “November 1, 1975” and inserting in lieu thereof “June 30, 1976” and by striking out “of 1977” and by inserting in lieu thereof “February 1, 1978”.

Justification. Extends the first reporting date of the Commissioner's report to Congress and the President on the conditions of bilingual education in the nation and the administration and operation of program for persons of limited English-speaking ability by eight months to permit inclusion of more of the information which Congress has requested. For example, the first assessment of educational needs of persons of limited English-speaking ability will be a part of the “Current Population Survey” being conducted by the Census Bureau in the Spring of 1975. The Census Bureau cannot provide the Office of Education with the results until after November 1975. The results could be included if this report is extended to June 30, 1976. Similarly, more results from ongoing evaluation of Title VII, which was initiated prior to passage of P.L. 93-380, can be incorporated into the report if the date is extended.

The second date is extended for three months so that the due date for the Report on the Condition of Bilingual Education in the Nation will be the same as the proposed due date for the Secretary's Annual Evaluation Report.

Cross Reference

H.R. 3801, Sec. (d) (1).

2. *Amendment.* Title VII of the Elementary and Secondary Education Act of 1965 is amended in section 732(c) by striking out “November 1” and inserting in lieu thereof “March 31”.

Justification. Conforms the date of the report to Congress and the President of the National Advisory Council on Bilingual Education to the reporting requirement for every other Office of Education advisory committee as provided in section 443(a)(2) of the General Education Provisions Act. This also brings the report date into line with the new fiscal year mandated by P.L. 93-344.

Cross Reference

H.R. 3801, Sec. (d)(2).

J. REPORT ON THE PERSONNEL NEEDS AND ASSIGNMENTS OF THE OFFICE OF EDUCATION

Amendment. The General Education Provisions Act is amended in section 403(e)(3) by striking out "November 1" and inserting in lieu thereof "February 1".

Justification. Conforms the date of the Commissioner's annual report to the Congressional education committees on the personnel needs and assignments of the Office to the new fiscal year mandated by P.L. 93-344. The information needed is dependent upon budgetary decisions and is therefore at the final stages of the budget preparation process. The requested date, therefore, is consistent with the dates for the budget submission.

Cross Reference

H.R. 3801, Sec. (f)(3).

K. ANNUAL EVALUATION REPORT

Amendment. The General Education Provisions Act is amended in section 417(a)(1) by striking out "November 1" and inserting in lieu thereof "February 1".

Justification. Conforms date of the Secretary's annual evaluation report to the Congressional education committees to the new fiscal year mandated by P.L. 93-344. Experience with the massive 350-400 page report which covers all of the Office of Education's programs and describes the status and effectiveness of those programs for the previous fiscal year, indicates that it takes four months after the close of the fiscal year to assemble the latest information, develop and prepare the report, obtain the necessary reviews and clearances and submit it to the Congress. Since the fiscal year will end on September 30th, four months makes the proposed date February 1st. Any less preparation time would not enable the report to completely reflect the previous fiscal year and would thus reduce the report's usefulness.

Cross reference

H.R. 3801, Sec. (f)(4).

L. RESPONSIBILITY OF STATES TO FURNISH INFORMATION

1. Amendment. The General Education Provisions Act is amended in section 437(a) by striking out "within sixty days" and inserting in lieu thereof "within ninety days".

Justification. Extends for an extra thirty days the time after the end of any fiscal year when each State submits to the Commissioner a report on the uses of Federal funds in that State under any applicable program for which the State is responsible for administration. State representatives have reported that they require at least ninety days after the close of the fiscal year to submit their reports. Any less time would result in late submission or incomplete or inaccurate submissions.

Cross Reference

H.R. 3801, Sec. (f)(5).

2. Amendment. The General Education Provisions Act is amended in section 437(b) by striking out "October 15" and inserting in lieu thereof "March 31".

Justification. Extends to the Office of Education the necessary 60 days after receipt of the State data, to compile and analyze it for the required report to the Congressional educational committees. Also conforms date of submission to the new fiscal year mandated by P.L. 93-344. The reports received from the States must be reviewed, edited, compiled and computerized. Then the data must be analyzed and interpreted and a report prepared. Assuming timely submission of the data by the States, a minimum of sixty days is needed for this process.

Cross Reference

H.R. 3801, sec. (f) (6).

M. TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965, PROGRAM EVALUATION

Amendment. Title I of the Elementary and Secondary Education Act of 1965 is amended in section 151(g) by striking out "January 31, 1975" and inserting in lieu thereof "February 1, 1975", and by striking out "January 31" the second time it appears and inserting in lieu thereof "February 1".

Justification. Conforms the date for submission of the Commissioner's report to Congress on the evaluation of Title I of the proposed date of the Annual Evaluation Report. The intent and content of the reports are similar and the Title I evaluation would have to be included in the Annual Evaluation Report.

Cross Reference

H.R. 3801, Sec. (b) (4).

N. SPECIAL PROJECTS ACT

Amendment. Section 4(b)(1) of Special Projects Act is amended by striking out "February 1" and inserting in lieu thereof "June 1".

Justification. Extends the date of the Commissioner's annual report to the Congressional education committees on the plan in accordance with which the Commissioner was determined to expend Special Project funds to be appropriated for the succeeding fiscal year. February 1 is too early, based on the new fiscal year mandated by P.L. 93-344, to have a meaningful plan developed. Detailed planning for Special Projects cannot effectively precede planning for all programs.

Cross Reference

H.R. 3801, Sec. (c) (1).

V. PART II - TITLE I, ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

1. Amendment. The Education Amendments of 1974 is amended in section 101(a)(3) by inserting ", 122, and 123" immediately after "121" and by inserting ", 127, and 128, respectively," immediately after "126" and before the period.

Justification. Redesignates Section 122 and 123 of Title I of the Elementary and Secondary Education Act because new Sections 122 and 123 were added by Section 101(a)(2)(E) of P.L. 93-380.

Cross Reference

H.R. 3801, Sec. (a) (1).

2. Amendment. Title I of the Elementary and Secondary Education Act of 1965 is amended in section 126(b) by striking out "clauses (2), (5), (6), and (7) of section 103(a)," and inserting in lieu thereof "sections 103(a)(2), 121, 122, and 123."

Justification. A conforming amendment which corrects an erroneous cross reference.

Cross Reference

H.R. 3801, Sec. (b) (1).

3. Amendment. Title I of the Elementary and Secondary Education Act of 1965 is amended in section 141(a)(13) by striking out "140" and inserting in lieu thereof "150".

Justification. Corrects an erroneous cross reference.

Cross Reference

H.R. 3801, Sec. (b) (2).

4. Amendment. Title I of the Elementary and Secondary Education Act of 1965 is amended in section 141(a)(14)(A) by inserting "eligible" after "children".

Justification. Makes the selection of parents for the local educational agency council more administrable by not delaying appointments until after a program is established each year. Opens access to advisory council membership to allow inclusion of parents with a reasonable interest in Title I.

Cross Reference

H.R. 3801, Sec. (b) (3).

PART III—OTHER PROGRAMS AUTHORIZED BY THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965, AS AMENDED

A. TITLE II, SCHOOL LIBRARY RESOURCES, TEXTBOOKS, AND OTHER INSTRUCTIONAL MATERIALS

Amendment. Section 204(b) of the Elementary and Secondary Education Act of 1965 is amended by striking out "1973" and inserting in lieu thereof "1978".

Justification. Extends through 1978 the authority for the Commissioner to bypass the State educational agency under Title II of ESEA in those cases where no State agency is authorized to provide Title II materials for the use of children in nonpublic schools.

Cross Reference

H.R. 3801, Sec. (c).

B. TITLE III, SUPPLEMENTARY EDUCATIONAL CENTERS AND SERVICES; GUIDANCE, COUNSELING, AND TESTING

Amendment. The Education Amendments of 1974 is amended in section 103(a)(2) by inserting "of section 301(b)" immediately after "The second sentence" and by striking out "and each of the five succeeding fiscal years."

Justification. Adds a section reference which was omitted, and deletes unnecessary language.

Cross Reference

H.R. 3801, Sec. (a)(2).

C. TITLE IV, LIBRARIES, LEARNING RESOURCES, EDUCATIONAL INNOVATION, AND SUPPORT

1. Amendments. Section 403(b) of the Elementary and Secondary Education Act of 1965 is amended by inserting at the end thereof the following paragraph:

"(5) During the fiscal year preceding the first fiscal year for which funds are appropriated pursuant to any part of this title, the State educational agency may use administrative funds available to the State under any program specified in section 401(e) for the purpose of carrying out the requirements of this subsection."

Justification. Allows States to use administrative funds under existing programs for the start-up costs of the State advisory council required to be established under section 403(a). Under section 403(b) the council must be in existence before the State may receive grants under the new Title IV. The Act requires that the council be certified ninety days before the beginning of FY 1976 and that it meet within thirty days after certification is accepted by the Commissioner. Therefore, the council must meet at least once in FY 1975.

Cross Reference

H.R. 3801, Sec. (e)(2).

2. Amendment. Section 431(a)(2) of the Elementary and Secondary Education Act of 1965 is amended by striking out "or private educational organizations".

Justification. This amendment is to take care of an inconsistency in P.L. 93-380. Section 431(a)(2) is very similar to the language of Section 808 of ESEA which authorizes grants for demonstration projects in both public and private schools to improve school nutrition and health service for children from low-income families. However Section 403(a)(4)(B) of Title IV, ESEA, as amended, stipulates that the State educational agency will distribute the funds it receives under Section 401(b) only among local education agencies. Proposed rules covering this portion of the Act will enable private educational agencies to be eligible to participate in health and nutrition services provisions if under contract to an LEA.

Cross Reference

H.R. 3801, Sec. (e) (3).

D. TITLE VII, BILINGUAL EDUCATION PROGRAMS

Amendment. Title VII of the Elementary and Secondary Education Act of 1965 is amended in section 742 by inserting "of the National Institute of Education" after "Director" wherever that word appears.

Justification. Clarifies the fact that the "Director" referred to in Section 742 is the Director of the National Institute of Education rather than the Director of the Office of Bilingual Education established by Section 731.

Cross Reference

H.R. 3801, Sec. (d) (3).

E. TITLE VIII, GENERAL PROVISIONS

Amendment. Section 801 of the Elementary and Secondary Education Act of 1965 is amended by inserting "IV," after "titles II, III," the first time it appears in that section and by inserting "IV," after "titles II, III," in subsection (j) of that section.

Justification. Includes section 401 of Title IV, Consolidation of Certain Education Programs, P.L. 93-380, which amends Title IV of ESEA, under the General Provisions for ESEA. Without a change such as this, the District of Columbia and the Commonwealth of Puerto Rico will not be eligible for grants under ESEA Title IV. Secondly, Title IV of the Elementary and Secondary Education Act, as amended by P.L. 93-380, includes the Trust Territory of the Pacific Islands in the allocation of funds appropriated for Parts B & C (Section 402). Unless Title IV is added to subsection (j), the other requirements of Title IV would not apply.

Cross Reference

H.R. 3801, Sec. (1)—The second part of the amendment does not appear in H.R. 3801 as currently drafted.

PART IV—SPECIAL PROJECTS**A. SPECIAL PROJECTS ACT**

Amendment. The Education Amendments of 1974 is amended in section 402(a) (2) by striking out "July 24, 1954" and inserting in lieu thereof "July 26, 1954".

Justification. Corrects an erroneous reference to the "Cooperative Research Act," July 26, 1954.

Cross Reference

H.R. 3801, Sec. (a) (4).

B. COMMUNITY SCHOOLS ACT

Amendment. The Education Amendments of 1974 is amended in section 405 by striking out "(f)(1) The Commissioner shall establish or designate a clearinghouse the second time it appears therein and by inserting in lieu thereof "(3) Appointments to the advisory council shall be completed".

Justification. Corrects a printing error in which one line (subsection (f)(1)) was printed twice and inserts the correct language.

Cross Reference

H.R. 3801, Sec. (a) (5).

C. WOMEN'S EDUCATIONAL EQUITY ACT OF 1974

1. Amendment. The Education Amendments of 1974 is amended in section 408(d)(2)(B) by striking out "(a)" and inserting in lieu thereof "(d)(1)".

Justification. Corrects an erroneous cross reference to subsection (a) which simply establishes the title of the Act. The correct reference (d)(1) sets forth the activities which are authorized under the Act.

Cross Reference

H.R. 3801, Sec. (a) (8) (A).

2. Amendment. The Education Amendments of 1974 is amended in section 408 (d) by striking out paragraph (3) and redesignating paragraph (4) as paragraph (3).

Justification. Eliminates paragraph (3) of subsection (d) which requires the Commissioner to approve all applications which meet appropriate criteria. Such a requirement is inappropriate in a discretionary grant program.

Cross Reference

H.R. 3801, Sec. (a) (8) (B).

3. Amendment. The Education Amendments of 1974 is amended in the third sentence of section 408(f) (1) by inserting "from among the members indicated in clause (A)" after "Chairman".

Justification. Limits the chairmanship of the Advisory Council to the members selected by the President, by and with the advice and consent of the Senate.

Cross Reference

H.R. 3801, Sec. (a) (8) (C).

4. Amendment. The Education Amendments of 1974 is amended in section 408 by redesignating the second subsection (f) as subsection (g).

Justification. Corrects an erroneous subsection designation.

Cross Reference

H.R. 3801, Sec. (a) (8) (E).

PART V- GENERAL EDUCATION PROVISIONS ACT**A. NATIONAL INSTITUTE OF EDUCATION**

Amendment. The Education Amendments of 1974 is amended in section 502(a) (2) (B) (II) by striking out "subsection (f)" and inserting in lieu thereof "paragraph (1) of subsection (f) and by striking out '(2)' in the following paragraph".

Justification. To reinstate section 405(f) (2) of GEPA, relating to the NIE, which requires compliance with the Davis-Bacon Act in all NIE construction contracts. Paragraph (2) was erroneously stricken when Section 405(f) was repealed.

Cross Reference

H.R. 3801, Sec. (a) (9).

B. SIMPLIFIED STATE APPLICATION

1. Amendment. The Education Amendments of 1974 is amended in section 511 (b) by striking out "July 1, 1974" and inserting in lieu thereof "July 1, 1975".

Justification. The Simplified State Application hereafter referred to as the "General Application" is a new legislative requirement for State education agencies. Since the major intent and thrust of the new legislation, P.L. 93-380, is directed toward the operation of programs starting in FY '76, OE believes it to be both logical and efficient to avoid the potential confusion of requiring the General Application for FY '75. The following points can be made in defense of this position:

(1) Most of FY '75 has already passed and the applicable programs are already well underway;

(2) No real value would accrue to either the State or Federal government by now requiring this information for FY '75.

(3) The General Application requirements can better be handled in the transitional phase that OE is presently engaged in with the respective State agencies - such efforts are extensive and are aimed at implementation of the FY '76 provisions.

Cross Reference

H.R. 3801, Sec. (a) (10).

2. Amendment. The General Education Provisions Act is amended in the first sentence of section 434(b) (1) (A) by inserting ", other than title I of the Elementary and Secondary Education Act of 1965," after "applicable program".

Justification. Exempts Title I of the Elementary and Secondary Education Act

of 1965 from the applicable programs covered by the Simplified State Application provisions. Section 142(a) of Title I provides that States desiring to participate in the program must submit to the Commissioner a series of "satisfactory assurances." These assurances are actually simpler than the Simplified State Application.

Cross Reference

This amendment does not appear in H.R. 3801 as currently drafted.

3. Amendment. The General Education Provisions Act is amended in section 434(b)(1)(A) by adding after the first sentence the following new sentence: "The provisions of the preceding sentence shall also apply in the case of a State or other jurisdiction in which there is only one local educational agency or in which the State educational agency is also the only local educational agency."

Justification. Clarifies that unitary school systems, such as those in the State of Hawaii and the District of Columbia, are included under the Simplified State Application provisions.

Cross Reference

This amendment does not appear in H.R. 3801 as currently drafted.

C. APPOINTMENT OF MEMBERS OF AND FUNCTIONING OF ADVISORY COUNCILS

Amendment. The Education Amendments of 1974 is amended in section 518(a) by striking out "433" and inserting in lieu thereof "443".

Justification. Corrects an erroneous cross reference to section 443 of the General Education Provisions Act.

Cross Reference

H.R. 3801, Sec. (a)(11).

D. GENERAL AUTHORITY OF ADMINISTRATIVE HEADS OF EDUCATION AGENCIES

Amendment. The General Education Provisions Act is amended in section 408 by striking out subsection (c) thereof, and in section 400(c)(1) by redesignating clauses (A) through (F) as clauses (B) through (G), respectively, and by inserting before clause (B), as so redesignated, the following new clause:

"(A) 'administrative head of an education agency' means the Commissioner and the Director of the National Institute of Education. To the extent that the Assistant Secretary is directly responsible for the administration of a program and to the extent that the Assistant Secretary is responsible for the supervision of the National Center for Education Statistics, the Assistant Secretary shall, for such purposes, be considered within the meaning of such term."

Justification. Adds the definition of "administrative head of an educational agency" to the list of definitions for purposes of the General Education Provisions Act. The term is used throughout GEPA rather than only in Section 408.

Cross Reference

H.R. 3801, Sec. (f)(1).

PART VI—OTHER PROGRAMS

A. IMPACT AID, P.L. 874, 81ST CONGRESS

Amendment. The Education Amendments of 1974 is amended in section 305(a) by inserting "(b)(1)" immediately before "The amendments made by paragraphs (1) and (2)" which follows the matter in quotation marks in paragraph (3) of such section.

Justification. Inserts a subsection heading which was omitted.

Cross Reference

H.R. 3801, Sec. (a)(3).

B. EDUCATION OF THE HANDICAPPED ACT

1. Amendment. The Education Amendments of 1974 is amended in section 612(b)(1) by striking out "to the Office" in the second sentence and inserting in lieu thereof "to the Bureau".

Justification. Corrects an erroneous reference to the Bureau of Education for the Handicapped which was established at a Bureau level by P.L. 91-230, Title VI, Section 603(a).

Cross Reference

H.R. 3801, Sec. (a) (12).
2. Amendment. Sections 652(b)(3), 652(b)(4), and 652(b)(5) of the Education of the Handicapped Act are amended by striking out "grant and contract" and inserting in lieu thereof "grant or contract".

Justification. Corrects an error and authorizes funds under the referenced sections to be made available by grant or contract rather than by grant and contract.

Cross Reference

H.R. 3801, Sec. (h).

C. EMERGENCY SCHOOL AID ACT

1. Amendment. The Education Amendments of 1974 is amended in section 645 by striking out "Elementary" and inserting in lieu thereof "Emergency".

Justification. Corrects an erroneous reference to the Emergency School Aid Act.

Cross Reference

H.R. 3801, Sec. (a) (18).

2. Amendment. Section 709(a) of the Emergency School Aid Act is amended by inserting "Assistant" before "Secretary".

Justification. Inserts "Assistant" before "Secretary" because the Emergency School Aid Act is administered by the Assistant Secretary for Education rather than by the Secretary.

Cross Reference

H.R. 3801, Sec. (l).

D. NATIONAL READING IMPROVEMENT PROGRAM

1. Amendment. The Education Amendments of 1974 is amended in section 705(c)(3) by inserting "at" before "which such preelementary".

Justification. Inserts the word "at" which was erroneously omitted.

Cross Reference

H.R. 3801, Sec. (a) (14).

2. Amendment. The Education Amendments of 1974 is amended in section 714 by inserting at the end thereof the following new subsection:

"(f) The functions of the State Advisory Council on Reading, required to be established by subsection (a)(2) of this section, may be carried out by the State advisory council created pursuant to section 705(d)(1)".

Justification. To prevent duplication authorizes the State to allow the State advisory council on reading required by Section 705(d)(1) to fill the functions assigned to an identical council by Section 714(a)(2) of the National Reading Improvement Program.

Cross Reference

H.R. 3801, Sec. (a) (15).

E. HIGHER EDUCATION ACT OF 1965

Amendment: The Education Amendments of 1974 is amended in section 837 by inserting "of the Higher Education Act of 1965" after "section 1001(b)(1)".

Justification. Inserts and therefore clarifies a reference to the Higher Education Act which was erroneously omitted.

Cross Reference

H.R. 3801, Sec. (a) (24).

F. ADULT EDUCATION ACT

Amendment. Section 310A(b)(2)(A) of the Adult Education Act is amended by striking out "approval" and inserting in lieu thereof "approved".

Justification. Corrects the misspelling of the word "approved".

Cross Reference

H.R. 3801, Sec. (g).

G. VOCATIONAL EDUCATION ACT OF 1963

1. Amendment. Section 194(b) of the Vocational Education Act of 1963 is

amended by striking out "Secretary" and inserting in lieu thereof "Commissioner".

Justification. Substitutes "Commissioner" for "Secretary" since the Vocational Education Act is administered by the Commissioner.

Cross Reference

H.R. 3801, Sec. (j)(1).

2. *Amendment.* Section 197(a)(2) of the Vocational Education Act of 1963 is amended by striking out "to an agency" and inserting in lieu thereof "by an agency".

Justification. Corrects a grammatical error.

Cross Reference

H.R. 3801, Sec. (j)(2).

G. NATIONAL DEFENSE EDUCATION ACT OF 1958

1. *Amendment.* Section 651(a) of the Education Amendments of 1974 is amended to read as follows:

"Sec. 651. (a) Section 301 of the National Defense Education Act of 1958 is amended by striking out '1975' both times it appears and inserting '1977' in lieu thereof, and by adding at the end thereof the following new sentence: 'Notwithstanding the preceding two sentences, no funds are authorized to be appropriated for obligation during any year for which funds are available for obligation for carrying out part B of title IV of the Elementary and Secondary Education Act of 1965.'"

Justification. Revises the amendment to Section 301 of NDEA made by Title VI Section 651(a) of P.L. 93-380 to conform with an amendment to that Section made by P.L. 92-318.

Cross Reference

H.R. 3801, Sec. (k).

2. *Amendment.* (1) Section 103(a) of the National Defense Education Act of 1958 is amended by striking out "Puerto Rico," after "such term does not include".

(2) Section 302(a)(1) of such Act is amended by striking out "3 per centum" and inserting "1 per centum" in lieu thereof.

(3) Section 1008(A) of such Act is amended by striking out "Puerto Rico".

Justification. In order to treat Puerto Rico as a State for purposes of education allocations, P.L. 93-380, Section 843 deleted Puerto Rico from the listing of extra-territorial jurisdictions in the education laws except Title III of the National Defense Education Act. Since the authorization for this Act was extended, and the program purpose included in title IV, Part B of the Elementary and Secondary Education Act, as amended by P.L. 93-380, it is necessary to strike references to Puerto Rico in the sections cited. The set aside for the extra-territorial jurisdictions must also be reduced since Puerto Rico will not receive funds as one of these jurisdictions.

Cross Reference

This amendment does not appear in H.R. 3801 as currently drafted.

H. EXTENSION OF ADVISORY COUNCILS

Amendment. The Education Amendments of 1974 is amended in section 845(e) by striking out "708(a)" and by inserting in lieu thereof "732(a)" and by striking out "continued" and inserting in lieu thereof "continue"; and in section 845(f) by striking out "310(b)" and inserting in lieu thereof "311(b)".

Justification. 1. Corrects an erroneous cross reference to Section 732(a) of the Elementary and Secondary Education Act of 1965 which establishes a National Advisory Council on Bilingual Education; 2. Corrects a typographical error of the word "continue"; 3. Corrects an erroneous cross reference to Section 311(b) of the Adult Education Act. The sections were redesignated by P.L. 92-29.

Cross Reference

H.R. 3801, Sec. (a)(25).

Chairman PERKINS. I want to compliment you on your excellent statement.

Could you expand on your explanation of the two amendments you propose to title I. Particularly, could you explain further your amendment to change the local educational agency "hold harmless"?

Dr. MATTHEIS. Mr. Chairman, this amendment deals with the problems with regard to the allocation of the funds at the county level as related to the "hold harmless" activity.

Chairman PERKINS. Please explain how your proposal would work and why you feel you need the amendment?

Dr. MATTHEIS. The county is held harmless, and the schools within it, and among the school districts within a county there is a difference because of the change in population over a period of time. They should receive more dollars if the county and the districts within the county are held harmless.

The school district which has an increased need, according to new statistics, is unable to get at new resources. What we are suggesting is that there be provisions in the States that have these particular problems for a sharing of the hold harmless across the State rather than narrowing it down to a county or a specific school district within that county to be penalized for no fault of its own.

We think that it is an equitable treatment of the situation which has a peculiar background.

Mr. BRIGHAMAN. Dr. Matthies, what is the difference that would be brought about by your suggested changes to title I subcounty allocations? Would you take one or two representative States, for example, and tell us what they are receiving, or what they would have received if your provisions had been in effect?

Dr. MATTHEIS. We can provide the specific statistics that you are requesting for the record, but I am not sure that we get the question clear. There would not be any change among the States. There would be changes among the counties, and I think we can show you how this would happen with some examples of how we would work it in great detail.

[Following is an example of an acceptable distribution of title I allocations on a statewide basis:]

TITLE I—METHOD OF ALLOCATION USED BY PENNSYLVANIA

The method used by the State of Pennsylvania to make Title I allocations on a State-wide basis is as follows: "The count of children from poverty families from the 1970 Census was distributed by school district using all available information such as the census distribution by civil subdivision and school district data furnished by OE."

The count of AFDC children used was 47,630 rather than the 48,054 used by OE for county allocation purposes. The AFDC count was more current than the January count used by OE and the data were available by address so that the number could be distributed accurately by school district. This was also true of the foster children count which was 34 more than the OE count of 10,512. The allocation of the institution agreed with the OE count of 5,113.

The total number of children 367,964, was divided into the total amount allocated to the State of Pennsylvania (the sum of the OE county grants). Allocations were then determined on a preliminary basis by multiplying the number of children by the amount available per child.

The amount necessary to bring the allocations of those school districts whose preliminary allocations fell below 85% of the prior year's allocations was then obtained by proportionately reducing the allocations of all other school districts. The resulting allocations to those remaining school districts were based on the same amount per child, or \$212.98.

SELECTED SCHOOL DISTRICT ORGANIZATION FACTS

Number of counties—87.

Number of school districts—505.

Number of counties in which the school district and county boundaries are coterminous—8.

Number of school districts in counties in which school district and county boundaries are coterminous—25.

Number of counties in which the school district and county boundaries are coterminous and each county contains only one district—8.

Number of school districts in two or more counties—85.

Number of municipalities or portions of municipalities crossing county boundaries under school district's organization—188.

1974-75 ESEA TITLE I—8-COUNTY SECTOR SHOWING LEA ENTITLEMENTS WHEN RATABLY REDUCED BY COUNTY ALLOCATION METHOD AND BY STATEWIDE ALLOCATION METHOD

School district	85 percent guarantee	Pupils	Pupils x ratable reduction	Entitlement county allocation	Entitlement statewide allocation
BERKS COUNTY:					
Antietam	8,018	158	33,978	33,978	33,651
Boyertown area	41,993	455	97,137	97,137	96,907
Boyertown area (Berks County)	27,350	197	42,365	42,365	
County	14,643	258	54,772	54,772	
Brandywine Heights	13,172	89	19,139	19,139	
Conrad Weiser area	31,834	229	49,246	49,246	
Daniel Boone area	13,899	183	39,354	39,354	
Exeter Township	25,445	168	36,128	36,128	
Fleetwood area	12,890	96	20,645	20,645	
Governor Mifflin	18,831	203	43,655	43,655	
Hamburg area	19,280	155	33,333	33,333	
Kutztown Area	14,890	242	52,042	52,042	
Muhlenberg Township	13,899	90	19,355	19,355	
Oley Valley	11,097	76	16,344	16,344	
Reading	429,089	2,678	575,904	575,904	570,366
Schuylkill Valley	8,855	100	21,505	21,505	21,298
Tamaqua area	19,504	139	29,892	29,892	29,605
Twin Valley	26,478	364	75,113	75,113	75,396
Twin Valley (Berks County)	7,623	119	25,591	25,591	
Twin Valley (Chester County)	18,855	235	49,522	49,522	
Wilson	16,142	238	51,182	51,182	50,690
Wyoming area	7,903	106	22,795	22,795	22,576
Total		5,759		1,236,747	1,226,564
BUCKS COUNTY:					
Bensalem Township	142,242	599	134,528	142,242	138,597
Bristol Borough	96,440	628	141,041	141,041	133,753
Bristol Township	307,913	1,399	314,198	314,198	300,023
Centennial	200,439	1,278	287,023	287,023	272,101
Central Bucks	63,033	525	117,909	117,909	111,816
Coupeville Rock	30,232	361	81,076	81,076	76,887
Morrisville Borough	38,395	187	41,998	41,998	39,828
Neshaminy	133,928	676	151,821	151,821	143,976
New Hope-Solebury	12,849	63	14,149	14,149	13,418
Palisades	18,024	129	28,972	28,972	27,475
Pennridge	42,963	359	80,627	80,627	76,461
Pennsbury	106,265	770	172,933	172,933	163,996
Quakertown community	34,235	236	53,003	53,003	50,264
Total		7,710		1,626,992	1,548,685

See footnotes at end of table.

1974-75 ESEA TITLE I.—8-COUNTY SECTOR SHOWING LEA ENTITLEMENTS WHEN RATABLY REDUCED BY COUNTY ALLOCATION METHOD AND BY STATEWIDE ALLOCATION METHOD—Continued

School district	85 percent guarantee	Pupils	Pupils X ratable reduction	Entitlement county allocation	Entitlement statewide allocation
CHESTER COUNTY³					
Avon Grove.....	44,065	297	62,587	62,587	63,256
Coatesville area.....	156,978	916	193,031	193,031	195,092
Downington area.....	43,275	441	92,933	92,933	93,925
Great Valley.....	25,019	250	52,583	52,583	53,246
Kennett Consolidated.....	66,040	392	82,607	82,607	83,489
Octorara area.....	38,852	520	109,911	109,911	110,751
Octorara area (Chester County).....	31,346	378	79,657	79,657	80,254
Octorara area (Lancaster County).....	7,506	142	30,254	30,254	30,254
Owen J. Roberts.....	16,567	263	55,423	55,423	56,014
Oxford area.....	58,152	457	96,305	96,305	97,333
Phoenixville area.....	36,767	416	87,665	87,665	88,601
Tredyffrin-Easttown.....	35,642	282	59,427	59,427	60,061
Unionville-Chadds Ford.....	22,520	104	21,936	22,584	22,150
Unionville-Chadds Ford (Chester County).....	21,300	98	20,652	21,300	21,300
Unionville-Chadds Ford (Delaware County).....	1,220	6	1,284	1,284	1,284
West Chester area.....	137,404	826	174,129	176,863	175,923
West Chester area (Chester County).....	130,391	806	169,850	169,850	170,013
West Chester area (Delaware County).....	7,013	20	4,279	4,279	4,279
Total.....		5,164		1,029,019	1,099,841
DELAWARE COUNTY⁴					
Chester-Upland.....	953,669	5,573	1,192,346	1,192,346	1,186,949
Chichester.....	74,543	333	71,246	74,543	72,023
Gernet Valley.....	6,939	54	13,693	13,693	13,631
Haverford Township.....	44,208	440	94,138	94,138	93,712
Interboro.....	66,007	505	108,045	108,045	107,556
Marple Newtown.....	28,659	268	57,339	57,339	57,079
Penn Delco.....	29,269	326	69,748	69,748	69,432
Radnor Township.....	34,299	246	52,632	52,632	54,394
Ridley.....	103,203	718	153,616	153,616	152,921
Rose Tree Media.....	75,915	458	97,989	97,989	97,546
Southeast Delco.....	179,727	1,076	230,211	230,211	229,169
Springfield.....	26,164	285	60,976	60,976	60,700
Upper Darby.....	153,996	953	203,895	203,895	202,972
Wallingford-Swarthmore.....	28,964	273	58,408	58,408	58,144
William Penn.....	149,087	914	195,551	195,551	194,666
Total.....		12,432		2,6130	2,648,894

¹ County allocation—\$1,145,142. Amount per pupil, exclusive of 85 percent guarantee: (a) by county allocation—\$215,0501; (b) by statewide allocation—\$212,9821. Percent of maximum authorization (\$596.25): (a) by county allocation—36.1 percent; (b) by statewide allocation—35.7 percent.

² County allocation—\$1,629,035. Amount per pupil, exclusive of 85 percent guarantee: (a) by county allocation—\$224,5878; (b) by statewide allocation—\$212,9821. Percent of maximum authorization (\$596.25).

³ County allocation—\$1,107,837. Amount per pupil, exclusive of 85 percent guarantee: (a) by county allocation—\$210,7323; (b) by statewide allocation—\$212,9821. Percent of maximum authorization (\$596.25): (a) by county allocation—35.3 percent; (b) by statewide allocation—35.7 percent.

⁴ County allocation—\$2,671,429. Amount per pupil, exclusive of 85 percent guarantee: (a) by county allocation—\$213,9505; (b) by statewide allocation—\$212,9821. Percent of maximum authorization (\$596.25): (a) by county allocation—35.9 percent; (b) by statewide allocation—35.7 percent.

1974-75 ESEA TITLE I, 8-COUNTY SECTOR SHOWING LEA ENTITLEMENTS WHEN RATABLY REDUCED BY COUNTY ALLOCATION METHOD AND BY STATEWIDE ALLOCATION METHOD

School district	85-percent guarantee	Pupils	Pupils X ratable reduction	Entitlement county allocation	Entitlement statewide allocation
LANCASTER COUNTY					
Cocalico.....	\$24,485	241	\$51,347	\$51,347	\$51,329
Columbia Boro.....	32,841	315	67,114	67,114	67,089
Conestoga Valley.....	48,857	435	92,681	92,681	92,647
Donegal.....	31,635	286	60,935	60,935	60,913
East Lancaster Co.....	60,472	617	131,458	131,458	131,410
Ebensburg area.....	41,689	329	70,097	70,097	70,071
Ephrata area.....	23,458	293	42,426	42,426	42,404
Hempfield.....	20,499	182	38,777	38,777	38,763
Lampeter Strasburg.....	22,891	217	46,234	46,234	46,217
Lancaster.....	369,300	2,481	528,600	528,600	528,409
Manheim Central.....	27,560	161	34,303	34,303	34,290
Manheim township.....	12,198	105	22,371	22,371	22,363
Penn Manor.....	34,785	428	91,189	91,189	91,156
Pequea Valley.....	41,340	643	136,997	136,997	136,947
Solanco.....	56,828	774	164,908	164,908	164,848
Warwick.....	20,044	160	34,090	34,090	34,079
Total.....		7,687		1,633,527	1,632,933
LEHIGH COUNTY					
Allentown City.....	361,555	2,164	462,692	462,692	460,893
Catasauqua area.....	13,384	81	17,300	17,786	17,652
Catasauqua area (Lehigh County).....	8,427	60	12,829	12,829	
Catasauqua area (Northampton County).....	4,957	21	4,471	4,471	
East Penn.....	24,625	263	56,233	56,233	56,014
Northern Lehigh.....	26,578	206	44,002	44,002	43,874
Northern Lehigh (Lehigh County).....	20,155	159	33,996	33,996	
Northern Lehigh (Northampton County).....	6,423	47	10,006	10,006	
Northwestern Lehigh.....	10,656	174	37,203	37,203	37,059
Parkland.....	25,922	285	60,937	60,937	60,700
Salisbury Township.....	28,240	192	41,052	41,052	40,893
Southern Lehigh.....	17,570	151	32,286	32,286	32,160
Whitehall-Coplay.....	16,739	163	34,852	34,852	34,716
Total.....		3,679		787,043	783,561

See footnotes at end of table.

See footnotes at end of table.

1974-75 ESEA TITLE I, 8-COUNTY SECTOR SHOWING LEA ENTITLEMENTS WHEN RATABLY REDUCED BY COUNTY ALLOCATION METHOD AND BY STATEWIDE ALLOCATION METHOD—Continued

School district	85-percent guarantee	Pupils	Pupils X ratable reduction	Entitlement county allocation	Entitlement statewide allocation
MONTGOMERY COUNTY					
Abington	96,754	890	188,943	188,943	189,554
Bryn Athyn Boro.	1,802	10	2,123	2,123	2,130
Cheltenham Township	40,579	353	74,940	74,940	75,183
Colonial	60,415	439	93,198	93,198	93,499
Hatboro-Horsham	35,279	300	63,689	63,689	63,895
Jenkintown	7,722	33	7,006	7,722	7,511
Lower Merion	63,442	512	108,695	108,695	109,047
Lower Moreland Township	5,754	52	11,039	11,039	11,075
Methacton	54,358	441	93,622	93,622	93,925
Norristown area	226,819	1,299	275,772	275,772	276,664
North Penn	57,235	342	72,618	72,847	72,840
North Penn (Montgomery County)	56,781	341	72,393	73,393	-----
North Penn (Bucks County)	454	1	225	454	-----
Perkiomen Valley	18,018	203	43,096	43,096	43,235
Pottsgrove	21,501	138	29,297	29,297	29,392
Pottstown	113,561	530	112,517	113,561	112,881
Souderton area	27,262	197	41,822	42,276	41,957
Souderton area (Montgomery County)	28,808	197	41,822	41,822	-----
Souderton area (Bucks County)	454	0	0	454	-----
Springfield Township	25,892	206	43,733	43,733	43,874
Springfield area	35,887	226	47,973	51,977	48,134
Spring Ford area (Montgomery County)	31,040	222	47,130	47,130	-----
Spring Ford area (Chester County)	4,847	4	843	4,847	-----
Upper Dublin	38,973	223	47,342	47,342	47,495
Upper Merion area	34,371	255	54,135	54,135	54,310
Upper Moreland Township	22,258	144	30,571	30,571	30,669
Upper Perkiomen	22,707	275	58,544	58,544	58,570
Upper Perkiomen (Montgomery County)	18,927	216	45,856	45,856	-----
Upper Perkiomen (Berks County)	3,780	59	12,688	12,688	-----
Wissahickon	23,621	127	26,962	26,962	27,049
Total		7,195		1,534,084	1,532,889
NORTHAMPTON COUNTY					
Bangor area	29,264	201	42,793	42,793	42,809
Bethlehem area	258,717	1,832	390,361	390,361	390,183
Bethlehem area (Northampton County)	201,977	1,476	314,244	314,244	-----
Bethlehem area (Lehigh County)	56,740	356	76,117	76,117	-----
Easton area	183,171	1,394	296,786	297,920	296,897
Easton Area (Northampton County)	182,037	1,394	296,786	296,786	-----
Easton Area (Bucks County)	1,134	0	0	1,134	-----
Nazareth area	19,380	269	57,271	57,271	57,292
Northampton area	38,083	411	87,503	87,503	87,536
Per Argyll	11,380	61	12,987	12,987	12,992
Saucon Valley	18,792	173	36,832	36,832	36,846
Wilson area	21,859	178	37,897	37,897	37,911
Total		4,519		963,564	962,466

¹ County allocation—\$1,663,781. Amount per pupil, exclusive of .85 percent guarantee: (a) by county allocation—\$213,0594; (b) by statewide allocation—\$212,9821. Percent of maximum authorization (\$596.25): (a) by county allocation—35.7 percent, (b) by statewide allocation—35.7 percent.

² County allocation—\$648,198. Amount per pupil, exclusive of .85 percent guarantee: (a) by county allocation—\$213,8132; (b) by statewide allocation—\$212,9821. Percent of maximum authorization (\$596.25): (a) by county allocation—35.9 percent, (b) by statewide allocation—35.7 percent.

³ County allocation—\$1,570,413. Amount per pupil, exclusive of .85 percent guarantee: (a) by county allocation—\$212,2957; (b) by statewide allocation—\$212,9821. Percent of maximum authorization (\$596.25): (a) by county allocation—35.6 percent, (b) by statewide allocation—35.7 percent.

⁴ County allocation—\$901,277. Amount per pupil, exclusive of .85 percent guarantee: (a) by county allocation—\$212,9027; (b) by statewide allocation—\$212,9821. Percent of maximum authorization (\$596.25): (a) by county allocation—35.7 percent, (b) by statewide allocation—35.7 percent.

⁵ County allocation—\$901,277. Amount per pupil, exclusive of .85 percent guarantee: (a) by county allocation—\$212,9027; (b) by statewide allocation—\$212,9821. Percent of maximum authorization (\$596.25): (a) by county allocation—35.7 percent, (b) by statewide allocation—35.7 percent.

At issue are the application requirements set out in Section 705(b) of the National Reading Improvement Program. These requirements restrict the types of activities that can be funded under the Part A Readings Improvement Projects program. As you know, the Department would prefer that none of these fourteen requirements be mandatory, although projects should continue to be rated against these criteria. Our feeling is that a good project application should not be rejected simply because it does not fulfill one of these many requirements.

In particular, there may be many small, high-quality reading projects which

would find these fourteen requirements too restrictive or not feasible, given the size of the grants involved. For instance, in fiscal year 1975, we funded school-based projects with grants as small as \$11,620, \$11,653, and \$17,700, when the average grant for the 28 school-based projects was \$45,881. Thus, if a school district where three schools, consisting of 500, 300, and 600 students, respectively, were to apply, it could easily take well over \$100,000 to do all fourteen of the requirements in an effective manner. Requirements (1) and (8), diagnostic and achievement testing, might cost \$10 per student, an item that alone would cost \$14,000. Somewhat similar sub-total figures could be prescribed to each of the other remaining requirements. Given the total fiscal year 1976 appropriation request for Title VII, it is impossible for the administering office to award grants at an average of \$100,000.

Further, we believe that a project's fulfillment of these fourteen requirements does not necessarily guarantee that it is a high-quality reading project.

Nevertheless, if the Congress rejects our proposal contained in H.R. 8304, we could accept, as mandatory, most of the requirements in Section 705(b), as they are generally consistent with the dimensions of a good reading improvement project. Were this alternative approach to be taken, all of the requirements except numbers (4), (9), and (13) might be retained in their present form.

Requirement (4) mandates each project funded to include pre-service training and encourages in-service training for educational personnel. The requirement will be particularly burdensome for small projects. However, we agree that teacher training is an important part of every Reading Improvement Project and feel that in-service training should be expected in all projects.

Requirement (9) mandates that test results on reading achievement in Reading Improvement Projects be published by grade level, and where appropriate, by school. While we agree in theory with the idea of publishing test results, we feel that the requirement will create problems as a practical matter. As you know, this is an extremely sensitive matter, and in fact is the section of the law that drew most criticism for State and local educational agencies. Because of this resistance, it will be most difficult to implement.

There is much interest in the educational community in the notion of publishing test results as a means of holding schools accountable. However, requiring Reading Improvement Projects to publish scores, without requiring other programs to do so will make this program bear the brunt of the entire controversy. Furthermore, publication of the scores—which will inevitably be low because the projects enroll poor readers—might reflect badly on the whole National Reading Improvement effort.

Requirement (13) mandates "... appropriate involvement of leaders of the cultural and educational resources of the area to be served; including institutions of higher education, nonprofit private schools, public and private nonprofit agencies such as libraries, museums, educational radio and television, and other cultural and education resources of the community". This is a good idea and would be a reasonable goal were it not for the size of many of the grants involved in the Right to Read effort.

Dr. MATTHEIS. In the State of Pennsylvania, which was the first to call this to our attention, I know that we had school districts that were in as many as five counties, where you have the census data by county and by census tract, and they do not match. So that part of a census tract area is in a number of school districts, and people have to sit down and make a judgment as to where the population within that census tract lives, where the poor children within that tract are, and simply divide them up.

We need a procedure to facilitate that, and this is what this is really going to do.

Mr. BUCHANAN. On page 4 of your statement, do you happen to know the status of the legislation being prepared in the executive branch to conform dates within the various laws?

Mr. HASTINGS. This is going to be transmitted by the Office of Management and Budget, and will cover all agencies. It is being prepared now. We don't know when it is going to be transmitted, but presumably before it becomes necessary.

Mr. BUCHANAN. How supportive has the Appropriations Committee been in making sums available for the mandated studies?

Dr. MATTHEIS. I think that the general statement would be that in some of the areas we felt that some of the amounts of money provided have not been sufficient to do what the task outlines were set out to be.

We are making adaptations to them, including one to which I referred this morning, where instead of doing a total and comprehensive study and survey, we are doing a sampling study which we think is adequate and will fulfill the needs of the Congress.

So we are adapting to the Appropriations Committee's actions.

Mr. BUCHANAN. Have the title I allocations been made for 1976?

Dr. MATTHEIS. It is something that has been imminent for sometime in the office, and we hope that it will be done next month at the latest. This is one of the problems of major significance that we are referring to here.

We have been locked up in attempting to get information, the AFDC data, from major States. What we are suggesting is moving the request for data to a different time period, a July time period, which will then give us a number of months to get the data, to clean it up, to go back to the States and request it, where they have not given it to us, et cetera. Then by January we will get our forces mobilized.

The way it is now, with the January date, we have to struggle up into the May and June period before we are able to use our few months to do the allocating process. It is a major problem.

We think that the present situation really wipes out the benefits that all of us had in mind with regard to the forward funding. By moving to the July date, we hope to put it into place so that the school districts of the Nation will really be able to take advantage of it.

Mr. BUCHANAN. One more question—you indicated that you oppose mandating all requirements for 705(b). Would you favor making a certain subset of those 14 mandatory programs, and, if so, which ones?

Dr. MATTHEIS. I think that this is a possibility. I don't know the specific list that we would go with, but there would be a subset among them that would be mandatory. However, not every project that is to be funded will be mandatory, because it then take away a lot of local discussion and diversity, and we think that it is not good.

We would come up with a list which I am sure would have a subset that, I am sure, there would be no question as to that being mandatory, but we do not desire to have all 14 of them remain mandatory.

Mr. BUCHANAN. Thank you very much, Mr. Chairman.

Chairman PERKINS. Mr. Mott.

Mr. MOTT. No questions at this time.

Chairman PERKINS. Thank you very much, gentlemen.

We will be sending a letter down to the Office of Education requesting more information.

[Chairman's letter and Commissioner's response follow:]

JUNE 6, 1975.

HON. TERREL H. BELL,
Commissioner, U.S. Office of Education,
Washington, D.C.

DEAR MR. COMMISSIONER: As you know, last Tuesday the Subcommittee on Elementary, Secondary, and Vocational Education conducted an oversight hearing on the Education Amendments of 1974, Public Law 93-380. Dr. Duane Mattheis presented the testimony for the Administration, including both technical and substantive amendments to the Public Law.

The purpose of my letter today is to ask your opinion on several issues which arose during that hearing and which the Administration's prepared testimony did not address. First of all, I would like to mention four issues which concern Title IV, library and learning resources and educational innovation and support programs. Those issues are the following: (1) the state allocation formula; (2) the percentage of funds set aside for state administration; (3) the required "pass through" of funds in the library and learning resources section, particularly as it relates to guidance counseling and testing; and (4) the maintenance of effort requirement for state and local expenditures.

In addition to those issues I would also like to raise three other issues: (1) the general question of whether Federal maintenance of effort requirements in education laws are presenting a severe enough problem today to relax them or to provide some type of case by case waiver procedure; (2) whether "section 2" school districts under impact aid ought to be guaranteed more than 60% of their entitlements through the second tier of funding; and (3) whether the requirement under the Adult Education Act that states must spend 15% of their funds for special projects and teacher training is proving too restrictive. In connection with the last issues, I would be appreciative if you could send me a chart showing state by state the allocation of Adult Education funds for fiscal years 1974 and 1975 with the 15% set-aside shown in the fiscal year 1975 chart.

I would like to receive from you your views on all seven of these issues and your recommendations for amendments to the law, if you have any. If you need any assistance in further understanding these issues I hope that you will feel free to contact me.

Sincerely,

CARL D. PEAKINS, Chairman.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,

OFFICE OF EDUCATION,

Washington, D.C., November 12, 1975.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor, House of Representatives, Washington, D.C.

DEAR MA. CHAIRMAN: Thank you for your letter of June 6 asking my opinion on several issues concerning the Education Amendments of 1974, Public Law 93-380. These issues arose during the oversight hearing on that legislation held on June 3.

My opinions on these issues are as follows:

(1) *The State allocation formula.*—Both ESEA Title III and ESEA Title V had floors built into their allocation formulas, \$200,000 for ESEA Title III and roughly \$200,000 for ESEA Title V. Under Public Law 93-380, Title IV, Part C, the result of a change to an allocation based on the population age 5-17, with no State minimum, is a loss for twenty-four States in Fiscal Year 1976 and twenty-six in Fiscal Year 1977 when compared to Fiscal Year 1974 allocations. The minimum loss in Fiscal Year 1976 is \$700; the maximum \$128,602. In Fiscal Year 1977 the situation is more serious. The minimum loss is \$17,577; the maximum is \$577,740. However, since your communication to me the Congress has enacted, effective September 10, Public Law 94-94, the Fiscal Year 1976 appropriations for the Education Division. As you are aware, this Act contains an appropriation of \$11,633,852 for Fiscal Year 1977 to hold States harmless at the Fiscal Year 1974 level under Title IV. There were no changes affecting Fiscal Year 1976.

(2) *The percentage of funds set aside for State administration.*—Parts B and C of Title IV allow a State to use five percent of its allocation or \$225,000, whichever is greater, for State administration. With respect to Part C there was some concern over the loss of funds for this purpose due to the new allocation formula, and an increase in the set-aside was suggested by some States. Again, this issue has been resolved by the aforementioned provision of Public Law 94-94.

(3) *The required "pass through" of funds in the library and learning resources section, particularly as it relates to guidance, counseling, and testing.*—The amounts for both administration and program are satisfactory in Part B except for guidance, counseling, and testing. It has become apparent that unless additional administrative funds are made available to State departments of education, State-wide leadership activities in counseling and guidance currently carried out under ESEA Title III must be curtailed. Therefore, we have proposed an amend-

ment to Part B authorizing for the purposes of State programs relating to guidance and counselling programs, projects, and leadership activities either two percent of the amount a State receives under Part B of Title IV, or the amount the State used in Fiscal Year 1975 for guidance and counselling. This amendment is set forth in a draft bill transmitted to the Congress on June 3, 1975.

(4) *The maintenance of effort requirement for State and local expenditures and (5) The general question of whether Federal maintenance of effort requirements in education laws are presenting a severe enough problem today to relate them.*—In response to this question I recently asked the Deputy Commissioners to review all authorizing legislation for the programs administered by their Bureau. To date, I have not been informed of any significant problems in this area. We will continue to be alert to potential problems raised by maintenance of effort requirements, especially with regard to the need for (1) possible regulatory changes and (2) development of policy with respect to possible legislative changes. The problem posed is essentially that of reconciling the fundamentally sound policy (as implemented in the present legislation) that State and local education recipients should continue to have primary financial responsibility for elementary and secondary education programs, with the consequences of declining enrollments and widespread adverse economic conditions which may cause some recipients hardship in continuing to finance education programs to prior levels.

(6) *Whether "Section 2" school districts under impact aid ought to be guaranteed more than 60 percent of their entitlements through the second tier of funding.*—We continue to support the full funding of Section 2 which provides an equitable distribution of funds to school districts that have lost substantial portions of their tax bases to the Federal Government. You will recall that our 1976 Budget Request required new authorizing legislation that included the payment of Section 2 entitlement at 100 percent (prior to the deduction of five percent of a school district's 1975 total current expenditure).

(7) *Whether the requirement under the Adult Education Act that States that must spend 15 percent of their funds for special projects and teacher training is proving too restrictive.*—As a result of passage of Public Law 93-380, 19 States have less money available for operating basic adult education programs in Fiscal Year 1975 than in Fiscal Year 1974. As you requested, the enclosed table specifies these States and the amounts. The principal cause of this shortage of operating funds, however, is not the 15 percent requirement but rather the 90 percent hold harmless provision of Section 313 of the Act. This provision, effective for the first time in Fiscal Year 1975, replaced a 100 percent hold harmless effective in Fiscal Year 1971 through Fiscal Year 1974.

In our judgment, the current Section 309 authority and requirement should not be reduced or eliminated. In order to increase State and local capability in educating adults, a 15 percent special projects and teacher training authority is needed.

If I can be of further assistance, please let me know.
Sincerely,

T. H. BELL,
U.S. Commissioner of Education.

Enclosure.

ADULT EDUCATION STATE GRANT ALLOTMENTS

State or territory	Fiscal year 1974 State grant allotment	Fiscal year 1975 total allotment	Under existing legislation		
			15 percent reserved for § 309 projects	85 percent remainder available for State programs	Change in § 306 availability, fiscal year 1974 to 1975 (col. 4 minus col. 1)
(1)	(2)	(3)	(4)	(5)	
Total.....	\$53,286,000	\$67,500,000	\$10,125,000	\$57,375,000	+\$4,088,000
Alabama.....	1,353,404	1,344,029	201,604	1,142,425	-210,979
Alaska.....	177,747	190,545	28,582	161,963	-15,784
Arizona.....	449,546	518,744	77,812	440,932	-8,614
Arkansas.....	785,866	827,612	124,142	703,470	-82,397
California.....	3,415,416	4,517,430	677,615	3,839,815	+424,399
Colorado.....	479,804	601,541	90,231	511,310	+31,506
Connecticut.....	704,766	951,493	142,724	808,769	+104,003

ADULT EDUCATION STATE GRANT ALLOTMENTS

Under existing legislation

State or territory	Fiscal year [1974]	Fiscal year 1975 total allotment	15 percent reserved for § 309 projects	85 percent remainder available for State programs	Change in § 306 availability, fiscal year 1974 to 1975 (col. 4 minus col. 1)
	(1)	(2)	(3)	(4)	(5)
Delaware.....	239,449	274,483	41,172	233,311	-6,138
Florida.....	1,561,101	1,786,037	267,906	1,518,131	-42,970
Georgia.....	1,713,940	1,570,391	233,559	1,334,832	-379,108
Hawaii.....	272,771	312,647	46,897	265,750	-7,021
Idaho.....	260,259	320,090	48,013	272,077	+11,818
Illinois.....	2,342,597	3,529,037	529,356	2,999,681	+657,084
Indiana.....	1,154,189	1,626,206	253,931	1,382,275	+228,086
Iowa.....	646,525	951,736	142,760	808,976	+162,451
Kansas.....	528,113	763,952	114,593	649,359	+121,246
Kentucky.....	1,148,538	1,325,422	198,813	1,126,609	-21,929
Louisiana.....	1,599,212	1,439,291	215,894	1,223,397	-375,815
Maine.....	328,729	447,145	67,072	380,073	+51,344
Maryland.....	908,974	1,159,714	173,957	985,757	+76,783
Massachusetts.....	1,146,761	1,706,542	255,981	1,450,561	+303,800
Michigan.....	1,849,308	2,625,728	393,859	2,231,869	+382,561
Minnesota.....	703,887	1,153,991	173,099	980,892	+187,005
Mississippi.....	1,054,146	948,731	142,310	806,421	-247,725
Missouri.....	1,139,299	1,674,712	254,207	1,423,505	+284,206
Montana.....	257,088	325,781	48,867	276,914	+19,826
Nebraska.....	392,945	542,844	81,427	461,417	+68,472
Nevada.....	211,517	212,470	31,870	180,600	-30,917
New Hampshire.....	268,997	330,025	49,504	280,521	+11,524
New Jersey.....	1,588,290	2,209,212	331,382	1,877,830	+289,540
New Mexico.....	344,103	402,261	60,339	341,922	-2,181
New York.....	3,851,674	5,925,791	888,869	5,036,922	+1,185,248
North Carolina.....	1,898,912	1,780,990	267,148	1,513,842	-385,070
North Dakota.....	257,945	334,999	50,250	284,749	+26,804
Ohio.....	2,216,061	3,248,160	487,224	2,760,936	+544,875
Oklahoma.....	665,854	910,306	136,546	773,760	+107,906
Oregon.....	502,645	650,442	97,566	552,876	+50,231
Pennsylvania.....	2,634,898	4,105,003	615,750	3,489,253	+584,455
Rhode Island.....	348,369	451,990	67,799	384,191	+35,822
South Carolina.....	1,190,918	1,071,826	160,774	911,052	-279,866
South Dakota.....	264,081	344,287	51,643	292,544	+28,563
Tennessee.....	1,403,582	1,491,557	223,734	1,267,823	-135,759
Texas.....	3,205,110	3,281,437	492,216	2,789,221	-415,889
Utah.....	282,545	338,150	50,722	287,428	+4,883
Vermont.....	215,763	257,409	38,611	218,798	+3,035
Virginia.....	1,436,435	1,489,781	223,467	1,266,314	-170,121
Washington.....	684,134	916,988	137,548	779,440	+95,306
West Virginia.....	613,710	835,680	125,352	710,328	+99,617
Wisconsin.....	954,079	1,381,265	207,190	1,174,075	+219,996
Wyoming.....	190,514	222,750	33,412	189,338	-1,175
District of Columbia.....	285,764	374,932	56,240	318,692	+32,928
Guam.....	74,601	139,762	20,964	118,798	+44,196
Puerto Rico.....	820,604	1,037,200	155,580	881,620	+61,016
Virgin Islands.....	42,629	79,863	11,979	67,884	+25,258
American Samoa.....	42,629	79,863	11,979	67,884	+25,255
Trust Territory.....	85,257	159,727	23,953	135,768	+50,511

Chairman PERKINS. Next we have a panel consisting of Mr. W. E. Mellow, coordinator of Federal programs, Montgomery, Ala.; Dr. Ewald Nyquist, commissioner of education for New York; Commissioner Ralph D. Turlington, Florida Department of Education; Mr. James F. Costa, Federal Liaison and Program Administration, Nevada Department of Education; and Mr. William Daley, Federal Liaison Officer, State of Washington.

Now, if all you gentlemen, will come around. We have several members here at this point. Mr. Buchanan, would you like to introduce one of the panelists?

Mr. BUCHANAN. It is my pleasure to present to the committee Mr. W. E. Mellow, who is coordinator for Federal programs in the State

Department of Education and comes from Montgomery, Ala. He has a big job at this point, and one that is important to all the people.

Mr. MELLOWN. Thank you very much, Mr. Chairman, and Mr. Buchanan.

Chairman PERKINS. Maybe the gentleman from Florida, Mr. Lehman, would like to say a few words at this time.

Mr. LEHMAN. Thank you, Mr. Chairman. I am very pleased to introduce Commissioner Raph Burlington from Florida.

Chairman PERKINS. Commissioner Burlington, if you would introduce your two aides?

Mr. BURLINGTON. I would like to introduce Dr. Marshall Franks, special program director, and then Mr. Allen B. Lewis, who heads our title I program for the State Department of Education in Florida.

STATEMENT BY W. E. MELLOWN, JR., COORDINATOR FOR FEDERAL PROGRAMS, MONTGOMERY, ALA.

Mr. MELLOWN. We are pleased to have Mr. Buchanan as part of this committee, and we look forward to working with you. We are pleased to have this kind of representation, and we are, indeed, proud of him.

We appreciate having the opportunity to appear before you to present some of the concerns that we have with regard to the implementation of Public Law 93-380.

We will work with the staff in implementing and carrying out the provisions of the new law. We have prepared testimony which we hope will point out some of the problems that we are having.

I would hasten to point out, Mr. Chairman and members of the committee, that the problems which we are calling attention to today are not necessarily problems that are unique to the State departments of education.

In our particular testimony, in all cases except one, the problems which we are calling to your attention are problems that relate directly to the LEA's, the problems that they are having in implementing the act.

These problems are not problems that we feel are unsurmountable. We think that with the help of this committee, they are problems that can be solved and can be handled. We would seek your help in such an endeavor.

You have copies of our prepared testimony.

Chairman PERKINS. Without objection, the prepared statement will be inserted in the hearing record.

[Prepared statement of W. E. Mellown, Jr., follows:]

PREPARED STATEMENT OF W. E. MELLOWN, JR., COORDINATOR FOR FEDERAL PROGRAMS, MONTGOMERY, ALA.

State Education Agencies are experiencing difficulties in implementing programs amended or created by Public Law 93-380. These problem areas include:

1. ESEA, TITLE IV

A. Developing and utilizing a simple application for an entitlement program and a discretionary program.

B. Twenty-nine states will experience a cut in administrative funds in ESEA, Title IV while having an expanded administrative function.

C. The proposed rules appear to require that State administrative funds for Part B and Part C be accounted for separately.

D. The proposed rules require that funds provided to LEA's on the basis of special consideration must be expended in specific schools regardless of relative needs in the various schools.

E. Proposed rules appear to require that the State Advisory Council actually recommend projects for funding.

F. Office of Education officials have indicated that funds must be expended for each of the purposes under Part C regardless of State and local needs.

G. The use of the term "substantial funds" in relation to allocating Part B funds to LEA's needs clarification.

H. State and local education agencies need some flexibility in regard to maintaining effort.

I. State and local education agencies should be allowed to use Part B funds to continue operating statewide testing programs.

J. Due to a change in the method of allocating funds, many states are losing considerable amounts of LEA funds under Part C.

2. ESEA, TITLE I

A. Teacher training—section 116.42

(a) Which teachers may be included?

(b) To what extent is such training allowed?

B. Comparability—section 116a.26

(a) Delete paragraph (b) (7) if LEA will ultimately be required to satisfy paragraph (e) (1) or (2) of this section;

(b) Delete paragraph (8). This requires additional unnecessary record keeping by LEA;

(c) Paragraph (1) places greater restrictions on grouping for LEA's;

(d) Paragraph (j) (3) should be deleted as it tends to create additional requirements for handicapped (exceptional education) and limited English speaking children;

(e) Paragraph (m) (1) should be changed to read "... each full time instructional staff . . ."

C. Public Law 89-313 programs for children in state institutions—section 121(c)

(a) Institutions should have authority to allocate funds according to need.

3. SIMPLIFIED STATE APPLICATION

A. Annual Program Plan requires state and local education agencies to describe certain activities rather than simply give assurances that certain activities would be conducted.

4. ADULT BASIC EDUCATION

Section 309 mandates 15% be used for special projects. We recommend that this be changed to read "from 5% up to 15%."

Mr. Chairman, Members of the Committee, I am Billy Mellown, Assistant Director, Division of Administration and Finance, Alabama State Department of Education in Charge of Federal Programs. I am decidedly honored to be afforded this opportunity to testify in behalf of Dr. LeRoy Brown, Alabama State Superintendent of Education on the problems we are encountering in the implementation of Public Law 93-380. Other members of this panel include Dr. Ewald B. Nyquist, Chief State School Officer of New York; Dr. Ralph D. Turlington, Chief State School Officer of Florida; Mr. James Costa, Federal Liaison and Program Administrator, Nevada Department of Education; Dr. Marshall Franks, Associate for Planning and Coordination, Florida Department of Education; and Mr. Al MacKinnon, Assistant to the Commissioner, New York Department of Education.

The problems which we shall attempt to present today fall into three categories: (1) the Proposed Rules published in the *Federal Register* on March 11 and on March 12, 1975; (2) interpretations of the Law by the Office of Education; and (3) problems involving the Law itself.

Our efforts will be directed toward the identification of specific problems that exist and to suggest alternative ways to correct the problems. We hope this will strengthen the purposes this distinguished committee intended when it developed this legislation.

We do not presume to speak for all the states, rather, we are presenting the beliefs and concerns we have individually. It is our feeling that, many if not all, of the concerns expressed here are shared by all states. Our purpose is to assist in the implementation of the Act and to ask for your assistance in the interpretation of certain Proposed Rules which we shall call to your attention.

We do not feel we are in an adversary position with the U.S. Office of Education; rather, we feel that you, the members of this committee, have wisely placed us in a position where we are partners in implementing and operating a great Federal program for education. Through the leadership of this committee and the U.S. Office of Education, State Departments of Education throughout this great Nation have been strengthened and have assumed a vital leadership role in educating our boys and girls.

The Congress and the Office of Education are urged to continue to enhance the educational opportunities of the boys and girls of our great Country by involving more state educational agencies and more local educational agencies in the process in developing legislation. We feel with this involvement we can join hands with the Congress and the Office of Education in providing even greater educational opportunities for all our children.

There are a number of problems states have with the administration of ESEA, Title IV (created by Title IV of Public Law 93-380.)

1. Section 403(a)(7) of Public Law 93-380 requires local educational agencies to submit only one application for Part B and Part C of Title IV. The problem exists because Part B is an entitlement program where funds are allocated to each LEA and Part C is a discretionary program for which LEA's may or may not apply. Historically, the application review and approval process for these different types of programs has been entirely different in Alabama. This mandate for a single application actually complicates the application process rather than allowing flexibility.

Section 403(a)(7) of Public Law 93-380.

"(7) provides that local educational agencies applying for funds under any program under this title shall be required to submit only one application for such funds for any one fiscal year;

The requirement for a single LEA application should be removed from the Law and State educational agencies be required to reduce the paper work from local educational agencies to the minimum.

2. The formula for determining administrative funds under Section 403(a)(8)(A) of the Law leaves 29 states receiving less administrative funds than they received in FY 1975 under the combined categorical programs. The loss of administrative funds means that many state departments of education will have to terminate personnel and will, therefore, be hard pressed to administer the programs in the way Congress intended. The table in Appendix I, Column 8, reflects that 29 states are losing funds as a result of the reduction of the administrative money. We would like to recommend that the committee increase funds for administration to seven and one-half percent ($7\frac{1}{2}\%$). Title IV requires the states to maintain an advisory council, provide technical assistance to local educational agencies, and insure the participation of non-public school children; these are new or expanded activities indicating that states will need additional money for administration, when in fact, less money will be available.

Section 403(a)(8)(A) of Public Law 93-380.

"(8) provides—

"(A) that, of the funds the State receives under section 401 for the first fiscal year for which such funds are available, such agency will use for administration of the State plan not to exceed whichever is greater (i) 5 per centum of the amount so received (\$50,000 in the case of Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), excluding any part of such amount used for purposes of section 431(a)(3), or (ii) the amount it received for the fiscal year ending June 30, 1973, for administration of the programs referred to in sections 421(b) and 431(b), and that the remainder of such funds shall be made available to local educational agencies to be used for the purposes of parts B and C, respectively; and that, of the funds the State receives under section 401 for fiscal years thereafter, it will use for administration of the State plan not to exceed whichever is greater (i) 5 per centum of the amount so received (\$50,000 in the case of Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), excluding any part of such amount used for purposes

of section 431(a)(8), or (ii) \$225,000, and that the remainder of such funds shall be made available to local educational agencies to be used for purposes of parts B and C, respectively.

3. Section 134a.8 of the Proposed Rules indicate that the administrative funds will be available for the administration of the annual program plan. Presumably, this would be for both Part B and Part C and, therefore, would not require separate accounting for Part B and Part C administrative funds. However, the "comment" in the Proposed Rules contains an example of how to compute the amount of funds available to be used for administrative purposes. A statement in the comments reads, "Thus, in the example, administrative expenses cannot exceed \$50,000 for administration of Part B and \$42,500 for administration of Part C." This leads us to think the Office of Education is planning for State educational agencies to maintain separate accounting for Part B and Part C. Certainly, this will not be realistic in that: (a) funds for the State Advisory Council would have to be prorated among the two parts on the basis of documented time spent on each part and (b) State educational agency staff time and other related expenses would have to be prorated on some basis. We urge you to take the appropriate action to cause the Office of Education to allow States to maintain one account for the administration of the total Title IV program.

Section 134.13—Use of Funds.

§ 134.13 USE OF FUNDS.

The annual program shall provide that:

(a) (1) "of the funds the State receives under Section 401" of the Act "for the first fiscal year for which such funds are available," the State educational "agency will use for administration of the" annual program "plan not to exceed whichever is greater: (i) 5 per centum of the amount so received (\$50,000 in the case of Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), excluding any part of such amount used for purposes of section 431(a)(3)" of the Act "or (ii) the amount it received for the fiscal year ending June 30, 1973, for administration of the programs referred to in section 421(b) and 431(b)" of the Act "and the remainder of such funds shall be made available to local educational agencies to be used for the purposes of parts B and C, respectively" of Title IV of the Act, and,

(2) "of the funds the State receives under section 401" of the Act "for fiscal years thereafter, it will use for administration of the" annual program "plan not to exceed whichever is greater: (i) 5 per centum of the amount so received (\$5,000 in the case of Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands), excluding any part of such amount used for purposes of section 431(a)(3)" of the Act "or (ii) \$225,000," and "the remainder of such funds shall be made available to local educational agencies to be used for purposes of parts B and C, respectively" of Title IV of the Act;

"(b) not less than 15 per centum of the amount received pursuant to section 401(b)" of the Act "in any fiscal year (not including any amount used for purposes of section 431(a)(3)" of the Act) "shall be used for special programs or projects for the education of children with specific learning disabilities and handicapped children, and"

"(c) not more than the greater of (1) 15 per centum of the amount which such State receives pursuant to section 401(b)" of the Act "in any fiscal year, or (2) the amount available by appropriation to such State in the fiscal year ending June 30, 1973, for purposes covered by section 431(a)(3)" of the Act "shall be used for purposes of section 431(a)(3)" of the Act "(relating to strengthening State and local educational agencies)."

(20 U.S.C. 1803(a)(8))

Comment. The following example shows how the set-asides referred to in the above section should be calculated:

Assume that a State has an allotment of \$1 million for Part B and an allotment of \$1 million for Part C.

The set-aside for section 431(a)(3) purposes should be calculated first since this amount is deducted from the base figure for calculating the set-asides for administration and for the education of children with specific learning disabilities and handicapped children. The State may use for the purpose of strengthening State and local educational agencies an amount not to exceed the greater of: (1) 15 percent of the State's Part C allotment or (2) the amount available to that State for section 431(a)(3) purposes in fiscal year 1973. Assuming that

the 15 percent figure is the larger and assuming the full 15 percent is used for this purpose, the set-aside would be \$150,000 in this example.

The next set-aside to be calculated is the 5 percent maximum for administration. In the present example, this would be 5 percent of the \$1 million for Part B plus 5 percent of the remaining \$850,000 for Part C. (It should be noted that the statute provides that in the first year of consolidation a State can use up to the amount available to that State in fiscal year 1973 for administration of the categorical programs if this amount is greater than the 5 percent figure. In subsequent years the State can use for administration up to the 5 percent figure referred to above or \$225,000, whichever is greater. For the purposes of this example, the 5 percent figure is used to calculate the amount available for State administration.) Thus, in the example, administrative expenses cannot exceed \$50,000 for administration of Part B and \$42,500 for administration of Part C.

The last set-aside to be calculated is 15 percent (as a minimum) of the Part C allotment (after the set-aside for strengthening State and local educational agencies is taken out) for special programs or projects for the education of children with specific learning disabilities and handicapped children. In this example, the 15 percent set-aside would be calculated against \$850,000 and would equal \$127,500.

In the example, therefore, of the \$1 million allotted for Part B, \$50,000 is available for administration and the remaining \$950,000 is available for program purposes.

Of the \$1 million allotted for Part C, assuming \$150,000 is set aside for strengthening State and local educational agencies and assuming \$42,500 is set aside for administration of the annual program plan for Title IV, \$807,500 (\$1 million—\$150,000+\$42,500)) is available for program purposes, and of that amount at least \$127,500 is for programs for the handicapped.

4. Section 134a.3 of the Proposed Rules mandate Title IV, Part B funds be allocated on the basis of special considerations (Section 403(a)(4)(A)(i) and (ii) of the Act) shall be used in schools attended by such children.

Section 134a.3—Distribution of resources.

§ 134a.3 DISTRIBUTION OF RESOURCES.
 (a) Local educational agencies receiving funds under § 134.14(a)(1)(ii) (for "children whose education imposes a higher than average cost per child, such as children from low-income families, children living in sparsely populated areas, and children from families in which English is not the dominant language") shall use such funds (taking into account the requirements of section 408 of the Act) to provide services, materials, and equipment under Part B of Title IV of the Act (1) in schools attended by such children (subject to § 134.90(b)) and (2) for the benefit of such children.

(§ 20 U.S.C. 1803(a)(4)(ii))

This is not required by the Act and would be a new requirement in that ESEA, Title II and NDEA, Title III have always provided that funds be available on the basis of need to all children in a given LEA. We strongly urged this committee to encourage the Office of Education to allow the utilization of funds in schools that have the greatest need for these funds without mandating that they be spent in specific schools which may already be receiving adequate funds for the programs included in Part B of Title IV.

5. A comment in Section 134.53 of the Proposed Rules seems to indicate that ESEA, Title IV Advisory Councils advise the State educational agencies on the approval of each project application.

Section 134.53—Advisory Functions.

The State advisory council shall "advise the State educational agency on the preparation of, and policy matters arising in the administration of, the" annual program "plan, including the development of criteria for the distribution of funds and the approval of applications for assistance under" Title IV of the Act. (20 U.S.C. 1803(b)(1)(B))

Comment. This section repeats the statutory language of section 403(b)(1)(B) of the Act. The State advisory council is required to advise on each of the matters set forth in that section: preparation of the annual program plan and policy matters arising in the administration of the annual program plan. The

council shall advise regarding the development of criteria for the distribution of funds and shall advise regarding the approval of applications under Title IV of the Act.

The law seems clear it is the intent of Congress that Advisory Council simply advise on the establishment of criteria for the approval of applications. State educational agencies need this flexibility in order to facilitate the project approval process.

Q. There is much confusion among the state and local educational agencies and in the Office of Education regarding the use of the term "substantial funds" in Section 403(a)(4)(A) of the Act. This term needs to be clarified by the committee.

Section 403(a)(4)(A) of Public Law 93-380.

"(4) provides assurances that (A) funds such agency receives from appropriations made under section 401(a) will be distributed among local educational agencies according to the enrolments in public and nonpublic schools within the school districts of such agencies, except that substantial funds will be provided to (i) local educational agencies whose tax effort for education is substantially greater than the State average tax effort for education, but whose per pupil expenditure (excluding payments made under title I of this Act) is no greater than the average per pupil expenditure in the State, and (ii) local educational agencies which have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as children from low-income families; children living in sparsely populated areas, and children from families in which English is not the dominant language; and (B) funds such agency receives from appropriations made under section 401(b) will be distributed among local educational agencies on an equitable basis recognizing the competitive nature of the grantmaking except that the State educational agency shall provide assistance in formulating proposals and in operating programs to local educational agencies which are less able to compete due to small size or lack of local financial resources; and the State plan shall set forth the specific criteria the State educational agency has developed and will apply to meet the requirements of this paragraph;

7. The maintenance of effort requirement under Title IV of Public Law 93-380 is not realistic in that it does not allow states and locals any flexibility. We urge the committee to adopt the language included in ESEA, Title I regulations which allows local educational agencies a degree of flexibility in maintaining state and local effort. We recommend this concept be included in the General Education Provisions Act and apply equally to all programs. All of us support the concept that state and local educational agencies should not reduce state and local funds as a result of receiving federal funds.

8. Many states operated state-wide Guidance, Counseling, and Testing programs from these funds. These programs were, in fact, instituted and operated to assist LEA's. The Law eliminates the continued use of funds for this purpose. We urge this committee to take appropriate actions to allow state and local educational agencies to use up to the amount of funds expended in FY 1974 for the state-wide services.

9. The formula for distribution of Title IV funds causes a number of states to have a sizeable reduction in the amount of money that may be allocated to local educational agencies under Part C. We urge the committee to encourage the Appropriations Committee to appropriate approximately \$4 million in FY 1976 and approximately \$11.6 million in FY 1977 to hold each state harmless at their FY 1974 level of funding. While Alabama is not included in this reduction, we have always tried to take the position of supporting any formula which treats all states fairly and equitably. We do not feel a formula that takes funds away from local educational agencies and leaves states with little or no funds in certain areas is fair and equitable. We are committed to working with the other states, the members of this committee and your respective staff to develop a formula that may be employed in the distribution of all federal funds which would be fair and equitable to all children throughout our fifty states.

TEACHER TRAINING

Title I of Public Law 93-380 provides that teacher training is, in fact, a legitimate Title I activity. O. E. regulations make a similar provision. States

and locals need further clarification and interpretation regarding which teachers may, in fact, be training and to what extent such training is allowable using Title I funds.

Section 116.42—Training.

§ 116.42 TRAINING.

(a) *Inservice training for Title I personnel.* Payment of Title I funds may be authorized for inservice training of staff members, parent council members, and volunteers who are engaged to perform specific services related to approved Title I programs or projects. Such training must be directly related to the services in which such persons will be engaged under Title I of the Act and to their needs for the development of competencies required if the program or project is to be effective.

(b) *Supplementary training for specialists and classroom teachers.* The services provided under Title I of the Act may include supplementary training for teachers who will be serving as specialists dealing solely with educationally deprived children to be served by the Title I project or as regular classroom teachers of such children in public or private schools. All such training shall be tailored to enable the teachers to meet the special educational needs of the educationally deprived children to be served and may be provided on a preservice or on inservice basis.

(20 U.S.C. 241e(a) (1), (12), and (14), 1231d; House Report 93-805, p. 17 (1974); Senate Report 93-1026, p. 144 (1974))

COMPARABILITY

Educators today believe in and support the concept of comparability of services for all boys and girls. There are many problems involved in the implementation of comparability. O.E. regulations mandate comparability be established on a specific date which the Commissioner established. By establishing a specific date rather than allowing local educational agencies to report comparability data at the end of a reporting period, the Office of Education involves locals in a tremendous amount of additional paper work when the information is available routinely at another date.

O. E. regulations require comparing the average of non-Title I schools with each Title I school. Thus, the regulations the locals compare an individual school with the average of non-Title I school. This is not statistically sound nor does it present a true picture of comparability.

Section 116a.26(b)(7). This requirement is, in our opinion, punitive and should be deleted if the LEA will ultimately be required to satisfy the requirements of paragraph (e)(1) or (2) of this section.

Section 116a.26(b)(7).

(7) In the case of a local educational agency which fails to meet the requirements of paragraph (e) (1) or (2) of this section, a report showing the amount expended and to be expended in total and per child for textbooks, library resources, and other instructional materials and supplies, as defined in § 117.1(i) of this chapter (including the amount expended in previous years for all such items), that have been or will be made available for use in the current fiscal year; and

Section 116a.26(8). This requires additional unnecessary record keeping by the LEA's and should be deleted.

Section 116a.26(8).

(8) The number of children and of members of instructional staff and expenditures for such staff, if any, that were excluded from determinations in accordance with paragraph (j).

The term "instructional staff members" as used in this section means staff members who render direct and personal services which are in the nature of teaching or the improvement of the teaching-learning situation. The term includes teachers, principals, consultants, or supervisors of instruction, librarians, and guidance and psychological personnel; it also includes aides or other para-professional personnel employed to assist such instructional staff members in providing such services.

Section 116a.26(i). The language of this paragraph beginning "... except that local educational agency ..." places greater restrictions on grouping for LEA's. The language of the previous regulations should be substituted for this part.

Section 116a.26(i).

(1) *Grouping of schools.* (1) For the purposes of this section, a local educational agency shall group its schools by corresponding grade levels not to exceed three such groups (generally designated as elementary, intermediate or junior high school, and high school or secondary) for all the schools in the school district of such agency, except that local educational agencies providing education at seven or fewer grade levels above kindergarten shall be limited to one group, and those agencies providing education only at eight or nine grade levels above kindergarten shall be limited to two groups. In the case of agencies providing education at any level from grades six through twelve but only at those levels, the number of such groups shall be limited to two if the number of such grade levels is five or six and to one group if the number of such grade levels is four or less.

Section 116a.26(j) (3) This paragraph creates additional comparability requirements for handicapped (exceptional education) and limited English speaking and should be deleted.

Section 116a.26(j) (3).

(3) In order to make the exclusions as provided for in paragraph (j) (2) of this section, a local educational agency must demonstrate, to the satisfaction of the State educational agency, that the services provided with such State and local funds to such children of limited English-speaking ability or handicapped children who reside in Title I project areas are comparable to such services provided to similarly disadvantaged children in nonproject areas.

Section 116a.26(m) (1) ". . . longevity for each part-time instructional staff member;" should read ". . . each full time instructional staff . . ." The following from previous regulations should be added for clarity" and the prorated total salary less the amount thereof based solely on longevity for each part-time instructional staff member."

Section 116a.26(m) (1).

(m) *Maintenance of records.* Local educational agencies required to report under this section shall maintain, by individual schools (1) appropriate resource records, including records of children's enrollment, the total expenditure for salary and the amount thereof based solely on longevity for each part-time instructional staff member;

We strongly urge the committee to recommend that O.E. allow states and locals to develop criteria they would use to prove comparability. These plans may then be approved by the Commissioner.

Public Law 89-313 programs for children in State institutions—Section 121(c) states:

Section 121(c) of Public Law 93-380.

"(c) A State agency shall use the payments made under this section only for programs and projects (including the acquisition of equipment and, where necessary, the construction of school facilities) which are designed to meet the special educational needs of such children, and the State agency shall provide assurances to the Commissioner that each such child in average daily attendance counted under subsection (b) will be provided with such a program, commensurate with his special needs, during any fiscal year for which such payments are made.

O. E. proposed regulations based on Section 121(c) of P. L. 89-313 as amended by P. L. 93-380 appears to mandate that money the state institutions receive as a result of the formula, be spent on programs for those specific children. This mandate creates a most untenable position for a state institution to conduct a program in the first and second grade to say nothing of pre-school programs since the count in Average Daily Attendance (ADA) is always two years behind. Your clarification in this matter will help states and state institutions eliminate the problems in this area.

SIMPLIFIED STATE APPLICATION

The Simplified State Application required by Section 511 of Public Law 93-380 is a complete misnomer. Rather, than simplifying the application process it adds additional paper work. Programs which previously did not require a State application must now develop and submit to the Office of Education for approval an annual program plan. Programs which have had State plans must now submit annual program plans which contain all of the provisions which were required in the State plans. All of this is in addition to the general application which heretofore has not been required. We ask that this committee clarify to the Office of Education its intent in regard to the "Simplified State Application." Certainly, the States would welcome a simplified application process.

Examples of excessive paper work cited from ESEA, Title IV Annual Program Plan Format are as follows:

1. "A description of and calendar for annual evaluation activities must be included."

2. "A description of and calendar for the dissemination activities must be included."

3. "A description of and calendar of this activity must be included." (This refers to the adoption of innovative programs.)

4. "This section shall include a detailed description of activities (if any) planned for this purpose. The description shall include: (1) measurable objectives, (2) the specific activities planned to achieve each such objective, (3) the results or benefits expected to be derived through the attainment of each such objective, (4) the estimated amount of funds allocated to meet each objective, and (5) with respect to each objective, an indication whether the State educational agency intends to contract for services or equipment."

(The term "this section" applies to describing the program for *Strengthening Leadership Resources of State Education Agencies*. The same type information is required for Strengthening Local Education Agencies and for describing the *Program for Supplementary Educational Centers and Services; Nutrition and Health; and Dropout Prevention*. This requirement is in addition to describing the plans and activities for the administration of Title IV, describing the administrative procedures and activities for accomplishing the purposes of Part B and describing the administrative procedures and activities for accomplishing the purposes of Part C.)

ADULT BASIC EDUCATION

Section 309, Public Law 93-380 provides that no less than fifteen percent (15%) of the funds allocated to a state be used for special projects. We support the concept of special projects but would prefer that the wording be changed to read "from 5% up to 15%." This would allow states a greater flexibility by deleting the words "no less than 15%." It is probable that states will have to fund programs that may not meet the criteria established by the Office of Education and the Congress simply to assure that 15% of the funds be used for special projects unless this wording is changed. It should be understood that this change would allow states to allocate more funds to local educational agencies. It would not mean additional funds for the State educational agencies.

Section 309.

"Sec. 309. Of the funds allotted to a State under section 305 for a fiscal year, not less than 15 per centum shall be used for—

"(1) special projects which will be carried out in furtherance of the purposes of this title, and which—

"(A) involve the use of innovative methods, systems, materials, or programs which may have national significance or be of special value in promoting effective programs under this title, or

"(B) involve programs of adult education which are part of community school programs, carried out in cooperation with other Federal, federally assisted, State, or local programs which have unusual promise in promoting a comprehensive or coordinated approach to the problems of persons with educational deficiencies; and

"(2) training persons engaged or preparing to engage, as personnel in programs designed to carry out the purposes of this title."

I want to express to you my appreciation for allowing us this opportunity to appear before you and for the courtesies which you and the members of your staff have always extended to us.

APPENDIX NO. 1
TABLE A 4.—COMPARISON OF ESTIMATED ADMINISTRATIVE FUNDS UNDER PUBLIC LAW 89-10, TITLE IV, AS AMENDED BY PUBLIC LAW 93-380 FOR FISCAL YEAR 1975 WITH TOTAL ADMINISTRATIVE FUNDS AVAILABLE IN FISCAL YEAR 1975 UNDER CORRESPONDING CATEGORICAL PROGRAMS

	ESEA V purpose set aside 15 percent col. 1 of fiscal year 1973 Pt. C amount (highest)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	Administrative funds, 5 percent col. 5 or floor amount (highest)			Differences, ± cols. 6 and 7
										Pt. C balance* (col. 1-2)	Pt. B 1 distribution col. 3 and 4	Pts. B and C, col. 3 and 4	
United States and outlying areas	\$172,888,000	\$50,850,000			\$137,330,000					135,970,297			
50 States, District of Columbia, and Puerto Rico	171,176,238												
Alabama	2,946,607	911,857	\$2,024,745	2,340,573	\$4,375,318	\$225,000	\$254,654						
Alaska	441,371	—(130,686)	672,150	246,786	—(133,654)	225,000	213,333	11,667					
Arizona	1,739,856	608,946	1,067,706	1,382,003	2,449,709	225,000	219,113	5,887					
Arkansas	1,622,103	933,157	1,288,484	2,221,641	255,000	225,000	217,802	7,198					
California	15,985,562	3,392,688	12,592,874	12,697,802	25,290,676	1,264,534	1,327,583	(63,049)					
Colorado	2,014,547	742,552	1,271,995	1,600,214	2,812,269	225,000	227,540	(2,540)					
Connecticut	2,462,588	825,107	1,637,481	1,956,166	3,583,587	225,000	222,540	(17,716)					
District of Columbia	480,744	476,169	476,169	1,381,576	2,345,000	225,000	212,716	(11,667)					
District of Columbia	480,744	476,169	476,169	1,381,576	2,345,000	225,000	212,716	(11,667)					
Florida	5,680,643	1,334,502	4,274,181	4,455,141	6,729,322	436,466	468,875	(32,409)					
Georgia	4,002,932	1,094,686	2,904,296	3,179,646	6,083,892	304,195	328,861	(24,666)					
Hawaii	656,777	507,651	179,126	545,527	724,563	225,000	213,333	11,667					
Idaho	660,615	508,889	153,726	524,745	678,471	225,000	213,333	11,667					
Illinois	9,000,035	1,945,632	7,054,423	7,149,007	14,203,430	710,172	758,945	(48,875)					
Indiana	4,382,294	1,185,531	3,196,763	3,480,956	6,637,748	633,172	730,277	(36,390)					
Iowa	2,341,584	818,013	1,523,521	1,859,989	3,383,560	225,000	225,000						
Kansas	1,752,918	724,008	1,028,910	1,392,354	2,421,304	225,000	219,625	(15,749)					
Kentucky	2,701,325	859,302	1,844,023	2,145,741	3,987,664	225,000	215,022	(26,022)					
Louisiana	3,332,566	937,061	2,395,445	2,647,107	5,042,552	225,128	218,795	(26,668)					
Maine	850,216	547,630	302,666	675,415	978,081	225,000	213,333	11,667					
Maryland	3,391,513	983,800	2,407,573	2,693,867	5,101,440	225,000	229,491	(64,419)					
Massachusetts	4,549,083	1,166,515	3,382,568	3,613,470	6,986,338	349,301	362,272	(42,471)					
Michigan	7,734,423	1,788,777	5,945,646	6,143,618	12,089,384	604,466	642,417	(37,951)					
Minnesota	3,316,154	982,809	2,333,345	2,634,118	4,967,463	248,373	233,706	(35,333)					
Mississippi	2,034,159	734,634	1,299,535	1,615,806	2,915,395	225,000	226,128	(1,129)					
Missouri	3,741,02	1,070,133	2,671,169	2,971,826	5,642,995	285,149	322,647	(37,498)					
Montana	622,431	503,410	124,501	498,768	623,259	225,000	213,333	11,667					
Nebraska	1,236,139	605,999	630,200	981,949	1,612,149	225,000	213,727	11,273					

See footnotes at end of table.

45) 311	471,733	(-20,422)	358,489	225,000	213,333	11,667
Nevada	495,766	152,257	514,354	666,621	225,000	11,667
New Hampshire	373,773	4,447,484	4,623,985	9,071,479	453,574	(-38,458)
New Jersey	5,821,257	1,443,063	802,705	1,245,768	225,000	11,667
New Mexico	5,921,533	1,443,481	11,084,088	22,120,661	1,106,034	(-65,533)
New York	13,853,283	2,736,690	11,116,933	3,364,086	6,437,461	1,311,572
North Carolina	4,235,128	1,161,753	3,073,375	1,494,325	225,000	(-31,219)
North Dakota	546,152	485,631	60,501	13,793,394	689,670	(-11,667)
Ohio	6,784,211	1,968,373	6,815,838	6,977,556	715,656	(-15,938)
Oklahoma	2,037,440	792,916	1,244,464	1,618,388	2,862,852	(-4,598)
Oregon	6,715,934	702,791	1,014,683	1,363,819	2,318,472	225,000
Pennsylvania	9,131,411	1,968,075	7,171,316	7,254,113	14,429,449	218,875
Rhode Island	732,563	516,752	215,811	582,566	721,472	779,560
South Carolina	2,312,151	799,555	1,512,556	1,836,666	3,149,265	225,000
South Dakota	578,455	497,149	81,706	159,802	541,508	225,000
Tennessee	3,224,584	975,292	2,249,292	2,561,381	4,810,673	222,244
Texas	9,706,455	2,200,905	7,505,550	7,710,121	786,784	(-35,397)
Utah	1,023,625	589,576	443,049	813,056	1,256,145	225,000
Vermont	382,633	457,681	(-75,048)	303,937	213,333	11,667
Virginia	3,891,739	1,089,849	2,801,859	3,091,322	5,831,222	264,650
Washington	2,732,299	917,388	1,819,911	2,174,317	3,984,228	225,000
West Virginia	1,380,096	650,335	729,711	1,086,250	1,825,961	215,514
Wisconsin	3,852,495	1,038,689	2,813,806	3,050,149	5,873,955	326,780
Wyoming	291,063	445,931	(-154,884)	231,290	420,577	213,333
District of Columbia	506,997	488,981	17,926	402,651	225,000	11,667
Puerto Rico	2,801,283	615,975	2,185,318	2,225,149	4,410,467	225,000
American Samoa						222,018
Canal Zone						2,982
Outlying areas						
Puerto Rico						
Virgin Islands						

1. Based on estimated distribution shown in Table A-2.

2. Based on estimated distribution shown in Table A-1.

3. Does not include administrative funds for NDEA II for Puerto Rico.

Source: Table prepared by the Division of State Agency Cooperation, U.S. Office of Education.

MR. MELLOWN. With that, I will present Dr. Nyquist.

**STATEMENT OF DR. EWALD NYQUIST, COMMISSIONER OF
EDUCATION, NEW YORK**

DR. NYQUIST. Mr. Chairman and members of the committee, I am Ewald B. Nyquist, president of the University of the State of New York and Commissioner of Education.

Thank you for this opportunity to review Public Law 93-380 and to submit minor and technical amendments to that public law.

Mr. Chairman and members of the committee, I speak not only for my State of New York, but also for my distinguished colleagues, the chief of State schools in Pennsylvania, Massachusetts, New Jersey, and Connecticut.

Public Law 93-380 is a comprehensive piece of legislation. The complexities in administering the law are becoming clearer as we see greater and greater requirements placed on State and local education agencies by administrative guidelines and regulations.

We have commented on these and urged the Congress to review the U.S. Office of Education regulations with great care to assure that the regulations are within the bounds of the law.

During the past several months, we have identified also several amendments that would improve the effectiveness of Public Law 93-380.

I would like to briefly summarize some of these and file specific amendments with more extensive documentation supporting them with your permission.

The first area is title IV. The categorical programs that preceded title IV provided for variations among States and provided the States with flexibility in administering the several programs.

The consolidation of these programs brings several significant changes that raise serious concerns in maintaining the effectiveness of the programs and the proper administration of these programs.

Title IV, part B, requires that all funds be allocated directly to local education agencies. Previously, the States had flexibility in allocating moneys to local education agencies for using funds for statewide leadership and service programs.

For example, the State of Iowa first used ESEA title II funds to develop regional educational media centers which serviced all school districts within the State. These centers will become area agency media centers under new State legislation beginning on July 1, 1975.

After many years of developing this significant program in the State of Iowa with the formal structure, a key part of the financing of the program, the Federal financing, has been removed by the consolidation program. A parallel situation exists in the State of Pennsylvania as well.

On the other hand, some States have allocated their total funds under ESEA II directly to local education agencies.

Most States have used part of the ESEA II money for special emphasis and demonstration projects around the State and allocated the balance of the money to local education agencies. The total of funds appropriated for ESEA title II provide an average of \$1.80 per child, if distributed totally to the local level.

In some instances, these funds can be used most effectively in statewide or regional programs. It is important that the Federal legislation permit that flexibility, and therefore, I propose, on behalf of myself and my colleagues, an amendment which would provide flexibility to the States in the most effective use of the funds.

Details are set forth in attachment A of the full statement.

In the use of funds under title III, ESEA for guidance, counseling, and testing programs, there was also variation on how the States could meet their separate needs. Some funds were allocated to local education agencies and other funds used for statewide service programs such as inservice training and the improvement and development of statewide assessment and testing programs.

The guidance, counseling, and testing program, which generally has provided on the average of 40 cents per child, has needed this flexibility so that impact could be made within many of the States.

Statewide evaluation and measurements, a concern of the Congress and the State and local education agencies, will be a setback across the Nation with the loss of federally funded State leadership and services.

The U.S. Office of Education estimates that slightly over \$5 million of the total moneys made available for guidance, counseling, and testing have been used for statewide testing and service programs operated by the States.

By statute, ESEA title I establishes a \$2,500 minimum size for a project. If the same criteria were applied in the guidance, counseling, and testing area, more than 90 percent of the school districts in the Nation would not have enough funds to mount a project of more than \$2,500 if all the guidance counseling and testing funds were allocated to local districts.

More than 50 percent of the local districts would not have an eligible project if all the title IV, part B, funds were allocated to local education agencies.

So, we are concerned deeply as to how the original objectives of the legislation can be carried out for the several programs without the potential for some statewide or State-controlled projects.

We, therefore, propose that title IV be amended to allow each State the option to continue its State leadership and service programs at the same funding level used in fiscal year 1975, or 2 percent of the funds the State received under section 401, whichever is greater.

Under the provisions of the categorical programs consolidated into title IV, the States had available for administration an effective rate of approximately 7.5 percent of local assistance money under NDEA title III and a statutory rate of 7.5 percent under ESEA title III. The statutory rate of ESEA title II was 5 percent.

The 5-percent administrative ceiling for administration of title IV will damage effective administration of these programs. States must provide for an advisory council with broader responsibilities than the former title III advisory council.

Under title IV, part C, with regard to programs for innovation, States are required now to provide technical assistance to those local agencies requiring help in application.

It is imperative that for sound administration of these programs,

the law be amended to provide 7.5 percent for administration, rather than 5 percent.

My colleagues will be providing more elaboration on our concern for the requirements of maintenance of effort for title IV. I must make special note of the issue and urge your early consideration of an amendment to that provision.

The other major area of concern is with the provisions affecting children with handicapping conditions.

Under title I, pertaining to education offered by State agencies, there is a provision that funds "follow the child" from the State agency to the local education agencies, if the child transfers.

The provision is commendable; however, given the general "hold harmless" condition under which State agency programs are operating because of the change in formula, there will be a considerable burden on State and local education agencies as they attempt to "follow the child" and maintain an accountability on the individual child for an indefinite period. We propose that this period be limited to 2 years.

On the other major changes made in Public Law 93-380 pertaining to the handicapped, we still await word from the U.S. Office of Education as to the additional requirements to be imposed upon the States and localities.

The increase in appropriations from less than \$10 per handicapped child to approximately \$20 per handicapped child is of some assistance and we appreciate these funds. The \$8 million that New York State receives is significant in the expansion and development of new programs for the handicapped.

The Congress must, however, recognize that \$20 per pupil is a very small part of the total cost of educating a handicapped child and the Congress and Administration must not place demands for administrative procedures and paperwork on the States and localities that are way out of proportion with the Federal share of funding.

We find ourselves faced with the requirement to submit an extremely detailed and lengthy State plan for the handicapped by August 21 of this year. The U.S. Office of Education has not yet decided on the format or forms that will be used for the submission of the State plan.

Given the fact that we are now in the first part of June, I do not see how that requirement of the law can be met.

Other administrative requirements, such as:

One. The establishment of a quasi-judicial system with hearing records and all the attendant costs.

Two. The requirements of the maintenance of a State inventory of all children with handicapping conditions.

These go beyond the statutory provisions and are extremely burdensome to us.

I register my concern in this area now because we do not have the full set of requirements before us yet. I hope that the Congress and the Administration will focus on providing services to children who may be unserved or underserved and that we do not have additional amounts of our time and funds taken up with unnecessary administrative procedures.

I have commented on two areas of concern. In addition, we propose technical amendments to those provisions of Public Law 93-380 per-

taining to bilingual education, my attachment E to the full statement, reading improvement; attachment F, Public Law 874; attachment D, Emergency School Aid Act, attachment H, and the adult education program, attachment C.

We would like to have your permission to submit additional material on the problem of school districts which are located in more than one county, as Mr. Mattheis testified.

Thank you for the opportunity to appear before you today. I would be pleased to answer any questions about these proposed amendments.

Chairman PERKINS. Thank you very much. It is good to see you, and we appreciate your appearance here today.

[Prepared statement of Ewald B. Nyquist follows:]

PREPARED STATEMENT OF EWALD B. NYQUIST, PRESIDENT, THE UNIVERSITY OF THE STATE OF NEW YORK AND COMMISSIONER OF EDUCATION

Mr. Chairman and members of the subcommittee: I am Ewald B. Nyquist, President of the University of the State of New York and Commissioner of Education. Thank you for this opportunity to review Public Law 93-380 and to submit minor and technical amendments to that public law.

Public Law 93-380 is an extremely comprehensive piece of legislation. The complexities in administering the law are becoming clearer as we see greater and greater requirements placed on state and local education agencies by administrative guidelines and regulations. We have commented on these and urged the Congress to review the United States Office of Education regulations with great care to assure that the regulations are within the bounds of the law. During the past several months we have identified also several amendments that would improve the effectiveness of Public Law 93-380.

I would like to briefly summarize some of these and file specific amendments with more extensive documentation supporting them.

TITLE IV—CONSOLIDATION

The first area is Title IV. The categorical programs that preceded Title IV provided for variations among states and provided the states with flexibility in administering the several programs. The consolidation of these programs brings several significant changes that raise serious concerns in maintaining the effectiveness of the programs and the proper administration of these programs.

Title IV, Part B, requires that all funds be allocated directly to local education agencies. Previously, the States had flexibility in allocating moneys to local education agencies or using funds for statewide leadership and service programs. For example, the State of Iowa first used ESEA Title II funds to develop regional educational media centers which serviced all school districts within the state. These centers will become Area Educational Agency Media Centers under new state legislation beginning on July 1, 1975. After many years of developing this significant program in the State of Iowa with the formal structure, a key part of the financing, the Federal financing, has been removed by the consolidation program.

On the other hand, some states have allocated their total funds under ESEA II directly to local education agencies.

Most States have used part of the ESEA II money for special emphasis and demonstration projects around the state and allocated the balance of the money to local education agencies. The total of funds appropriated for ESEA Title II provide an average of \$1.80 per child if distributed totally to the local level. In some instances these funds can be used most effectively in statewide or regional programs. It is important that the Federal legislation permit that flexibility and, therefore, I propose an amendment which would provide flexibility to the States in the most effective use of the funds. Details are set forth in Attachment A.

In the use of funds under Title III ESEA for guidance, counseling and testing programs, there was also variation on how the States meet the separate needs. Some funds were allocated to local education agencies and other funds used for statewide service programs such as inservice training and the improvement and development of statewide assessment and testing programs.

The guidance, counseling and testing program, which generally has provided

on the average 40 cents per child, has needed this flexibility so that impact could be made within many of the States. Statewide evaluation and measurement, a concern of the Congress and the state and local education agencies, will be a setback across the Nation with the loss of Federally funded state leadership and services. The United States Office of Education estimates that slightly over \$5 million of the total moneys made available for guidance, counseling and testing have been used for statewide testing and service programs operated by the States.

By statute, ESEA Title I establishes a \$2500 minimum size for a project. If the same criteria were applied in the guidance, counseling and testing area, more than 90 percent of the school districts in the Nation would not have enough funds to mount a project of more than \$2500 if all the guidance counseling and testing funds were allocated to local districts. More than 50 percent of the local districts would not have an eligible project if all the Title IV, Part B, funds were allocated to local education agencies. We are concerned deeply as to how the original objectives of the legislation can be carried out for the several programs without the potential for some statewide or state controlled projects.

We, therefore, propose that Title IV be amended to allow each State the option to continue its state leadership and service programs at the same funding level used in Fiscal Year 1975 or 2 percent of the funds the state receives under Section 401, whichever is greater.

Under the provisions of the categorical programs consolidated into Title IV, the States had available for administration an effective rate of approximately 7½ percent of local assistance money under NDEA Title III and a statutory rate of 7½ percent under ESEA Title III. The statutory rate of ESEA Title II was 5 percent.

The 5 percent administrative ceiling for administration of Title IV will damage effective administration of these programs. States must provide for an advisory council with broader responsibilities than the former Title III advisory council. Under Title IV, Part C with regard to programs for innovation, States are required now to provide technical assistance to those local agencies requiring needed help in application.

It is imperative that for sound administration of these programs the law be amended to provide 7½ percent for administration, rather than 5 percent.

My colleagues will be providing more elaboration on our concern for the requirements of maintenance of effort for Title IV. I must make special note of the issue and urge your early consideration of an amendment to that provision.

EDUCATION OF CHILDREN WITH HANDICAPPING CONDITIONS

The other major area of concern is with the provisions affecting children with handicapping conditions.

Under Title I, pertaining to education offered by state agencies, there is a provision that funds "follow the child" from the state agency to the local education agencies, if the child transfers. The provision is commendable. However, given the general "hold harmless" condition under which state agency programs are operating because of the change in formula, there will be a considerable burden on state and local education agencies as they attempt to "follow the child" and maintain an accountability on the individual child for an indefinite period. We propose that this period be limited to two years.

On the other major changes made in Public Law 93-380 pertaining to the handicapped, we still await word from the U.S. Office of Education as to the additional requirements to be imposed upon the States and localities. The increase in appropriations from less than \$10 per handicapped child to approximately \$20 per handicapped child is of some assistance and we appreciate these funds. The \$8 million that New York State receives is significant in the expansion and development of new programs for the handicapped.

The Congress must, however, recognize that \$20 per pupil is a very small part of the total cost of educating a handicapped child and the Congress and Administration must not place demands for administrative procedures and paper work on the States and localities that are way out of proportion with the Federal share of funding.

We find ourselves faced with the requirement to submit an extremely detailed and lengthy state plan for the handicapped by August 21 of this year. The U.S. Office of Education has not yet decided on the format or forms that will be used

for the submission of the state plan. Given the fact that we are now in the first part of June, I do not see how that requirement of the law can be met. Other administrative requirements—such as 1) the establishment of a quasi judicial system with hearing records and all the attendant costs; and 2) the requirement of the maintenance of a state inventory of all children with handicapping conditions—go beyond the statutory provisions and are extremely burdensome to us.

I register my concern in this area now because we do not have the full set of requirements before us yet. I hope that the Congress and the Administration will focus on providing services to children who may be unserved or underserved and that we do not have additional amounts of our time and funds taken up with unnecessary administrative procedures.

I have commented on two areas of concern. In addition, we propose technical amendments to those provisions of Public Law 93-380 pertaining to Bilingual Education (Attachment E), Reading Improvement (Attachment F), P.L. 874 (Attachment D), Emergency School Aid Act (Attachment H), and the Adult Education Program (Attachment C).

Thank you for the opportunity to appear before you today. I would be pleased to answer any questions about these proposed amendments.

ATTACHMENT A.—TITLE IV AMENDMENTS

1. PART B—GUIDANCE COUNSELING AND TESTING

It is proposed to exclude the cost of state leadership and service activities in guidance, counseling and testing from the limitation on administration expenditures under Title IV-B.

Proposed Amendment

Sec. 403(a)(8)(A) should be amended by either adding after Sec. 431(a)(3) wherever it appears "and Sec. 421(a)(3)" or the following phrase at the end of (A): "... except that the State may retain an amount to support State leadership activities in guidance, counseling and testing not to exceed the amount used for those purposes in fiscal year 1975 under the portion of Title III which relates to testing, counseling and guidance, or an amount not to exceed 2 per centum of the funds the State receives under section 401, whichever is greater".

Supporting Statement

Congress clearly intended the leadership activities to continue. Under "Programs Authorized" by Title IV-B, the following statement appears, "... programs, projects and leadership activities designed to expand and strengthen counseling and guidance services in elementary and secondary schools" (Sec. 421(a)(8)(C)). This language has appeared with but little change since it first became national policy in NDEA Title V-A in 1959.

The New York State system for the delivery of leadership activities, which has developed since 1959, would have to be almost completely dismantled if it cannot be supported outside the 5 percent limit. The Act requires that the program be continued, but its fiscal language renders this impossible.

The Act requires the state education agency to provide expanded attention to districts with pupils with special educational needs, especially bilingual and handicapped populations, and to refine its testing and pupil assessment programs to insure accountability and to avoid discrimination. These services have been successfully emphasized in the current leadership program.

The complete local discretion in the use of the bulk of the Title IV-B funds, coupled with state education agency responsibilities for evaluation and dissemination, becomes a powerful argument for the need for at least the present (FY 1975) opportunity for state education agencies to function in a leadership role. While we do not challenge the merits of local education agency discretion, if the state education agency is responsible for the effectiveness of local education agency programs, even in a general way, the state education agency should not have its capacity to influence local programs virtually eliminated.

We have surveyed and consulted with our colleagues in other state education departments concerning this serious situation. The reference to 2 per centum of section 401 funds is based on their advice, particularly from California. Some States, for various reasons, have reduced their leadership expenditures in FY 1975 to the point that a FY 1975 save harmless standard is not adequate. To assure their services and with their concurrence, we urge the 2 per centum

option as an alternative. We offer the following very brief review of the impact on the leadership activities of certain state education agencies if the technical amendment is not passed.

New York

Very substantial reduction in the professional staff of the Bureau of Guidance, the Division of Educational Testing, and the Task Force on Student Affairs. In addition, loss of "cutting-edge" supports for field activities of professionals in workshops, publications, and consultant advice.

Minnesota

Loss of one professional staff member, but the other two will now "sit in the office" with no money for travel, publications, workshops or even support for office expenses. Urges 2 per centum alternative.

Pennsylvania

The Chairman of the State Advisory Council for Title IV-B, Dr. Edward Herr, Pennsylvania State University, strongly supports the 2 per centum option. Without it, the state education agency cannot perform mandated ~~Title IV-B~~ evaluation and dissemination activities. The state cannot continue the guidance positions supported under ESEA Title III, Guidance. It will be impossible to monitor local educational agency Title IV-B guidance and counseling programs. Without the proposed amendment, expect the demise of guidance in the state education agency.

California

Loss of five professional (one-half of total) and all clerical state education agency guidance staff. State master plan for improvement of guidance delayed, if not demolished. Development of a guidance curriculum (career guidance, decision making) deferred. Behavioral objective program evaluation momentum lost. (California has been a leader.) Loss of capacity to respond to special needs. Inservice for local education agency counselors, particularly in relation to competency-based certification, lost. Urges FY 1975 save harmless, but first proposes 2 per centum option. Reports Oregon and other western States strongly agree with option of 2 per centum.

Ohio

The entire guidance section will be lost (six professionals). Instead of visiting local education agencies, state education agency will be restricted to regional meetings. Publication program will be abandoned. All inservice education for local education agency counselors lost. All research and development capacity lost.

Additional letters and telegrams are included in Attachment G.

2. TITLE IV—MAINTENANCE OF EFFORT, SEC. 403(A)(1)

Proposed Amendment

The legislation should be amended to read: "give satisfactory assurance that the [aggregate] per pupil amount to be expended by the State and its local education agencies from funds derived from non-Federal sources [*for programs described in Section 421a*] for a fiscal year will not be less than the amount so expended for the preceding fiscal year".

Supporting Statement

The legislation provides that the State "shall submit to the Commissioner a State plan . . . which gives satisfactory assurance that the aggregate amount to be expended by the State and its local education agencies from funds derived from non-Federal sources for programs described in 421(a) for a fiscal year will not be less than the amount so expended for the preceding fiscal year."

New York State is anticipating a considerable decline in enrollment in the elementary and secondary schools in the next few years, and maintaining effort on an aggregate basis is unrealistic in terms of educating the students in the schools.

In addition, it would be desirable to include a waiver clause for meeting the maintenance of effort requirement in cases such as exceptional, one-time, non-recurring expenditures and unusual economic constraints (defeated school budgets). If the change from "aggregate" to "per pupil" is not made, such a waiver should also extend to declining enrollment.

3. TITLE IV—ADMINISTRATION COSTS

Proposed Amendment

It is recommended that Sec. 403(a)(8) be revised as follows:
 "...; and that, of the funds the State receives under Section 401 for fiscal years thereafter, it will use for the administration of the State Plan not to exceed whichever is greater (1) [5] 7½ per centum of the amount so received."

Supporting Statement

Before Public Law 93-380 was enacted, the administrative allocation under ESEA Title III was 7½ per centum of the amount of funds received to operate the program and the effective rate for NDEA Title III was 7½ per centum. Under Title IV, the percentage has been dropped to 5 percent. It is recommended that the cuts be restored to the 7½ per centum for the following reasons:

a. Under the Education Amendments of 1974, the statute specifically requires that state education agencies assist "in formulating proposals and in operating the programs to local educational agencies which are less able to compete, due to small size or lack of local financial resources." In New York, approximately 200 school districts would need such services and we would require additional staff members to meet these required services.

b. To meet the strengthened requirements regarding "equitable participation" of nonpublic school participants, considerably more administrative work is involved in making interpretations, collecting data, monitoring and evaluating projects involving nonpublic participation. This is an additional burden upon the small staff presently available to administer the program.

c. U.S. Office of Education regulations are placing considerable emphasis on adoption of validated programs. This is a much more difficult and time-consuming administrative task than that usually given to developer grants. New York State has described in its annual program plans intentions of offering a variety of smaller grants in dollar amounts for purposes of validation, demonstration and adoption. The process of validation and adoption will occupy over 50 percent of the staff time and is considered to be our priority program thrust in keeping with the USOE desires. It cannot be done with reduced staff.

d. In FY 1977, under present terms it will be necessary to force severe staff and program cutbacks and make it impossible to carry out the program required by the new law and the new emphasis on program dissemination and adoption.

ATTACHMENT B.—THE EDUCATION OF CHILDREN WITH HANDICAPPING CONDITIONS**1. PUBLIC LAW 89-313, ESEA TITLE I, SECTION 121(d)*****Proposed Amendment: Section 121(d)***

"(d) In the case where such a child leaves an educational program for handicapped children operated or supported by the State agency in order to participate in such a program operated by a local educational agency, such child shall be counted under subsection (b) for a period not to exceed two years, commencing with the school year of such initial public school placement, if (1) he continues to receive an appropriately designed educational program and (2) the State agency transfers to the local educational agency in whose program such child participates an amount equal to the sums received by such State agency under this Section which are attributable to such child, to be used for the purposes set forth in subsection (c)."

Supporting Statement

This Section provides that, where a handicapped child leaves a state-supported or state-operated educational program to participate in such a program operated or supported by local educational agency (public school), such child shall be counted for aid, within the average daily attendance of the school which he left, if he continues to receive an appropriately designed educational program within the local public school. The money generated by that child within the ADA count is to follow him into the public school program to which he is transferred.

The present wording of Section 121(d) establishes no cut-off date at which Public Law 89-313 moneys cease to follow particular children when they are being educated in the public schools. This count becomes continually cumulative, with this aid following the children as pupils continue to leave the State-supported and State-operated schools for public school placement. Within the hold-

harmless provisions of the Law, providing for a constant level of federal aid to State agencies through July 1, 1978, the ADA count of such children will raise the number of children to be aided within the public schools and will diminish the ability of the state-supported and state-operated schools to serve their own populations. It is therefore imperative that a cut-off date be established in the Law not to exceed two years commencing with the school year of such initial public school placement. This will provide the necessary "seed" money for a period of two years to initiate appropriate programming for these children within the public sector. This should be an adequate period of aid for such children prior to the assumption of fiscal responsibilities by the public schools.

2. TITLE VI-A, EDUCATION OF THE HANDICAPPED ACT, SECTION 613(a) PROPOSED AMENDMENT: SECTION 613(a)

"(3) provide [procedures-for-insuring] *assurances* that handicapped children and their parents or guardians are guaranteed procedural safeguards in decisions regarding identification, evaluation and educational placement of handicapped children including but not limited to (A) (i) prior notice to parents or guardians of the child when the local or State educational agency proposes to change the educational placement of the child, (ii) an opportunity for the parents or guardians to obtain an impartial due process hearing, examine all relevant records with respect to the classification or educational placement of the child, and obtain an independent educational evaluation of the child, (iii) [procedures] *assurances* to protect the rights of the child when the parents or guardians are not known, unavailable, or the child is a ward of the State including the assignment of an individual (not to be an employee of the State or local educational agency involved in the education or care of children) to act as a surrogate for the parents or guardians, and (iv), provision to insure that the decisions rendered in the impartial due process hearing required by this paragraph shall be binding on all parties subject only to appropriate administrative or judicial appeal; and (B) [procedures-to-insure] *assurances* that, to the maximum extent appropriate, handicapped children, including children in public or private institutions or other care facilities, are educated with children who are not handicapped, and that special classes, separate schooling, or other removal of handicapped children from the regular education environment occurs only when the nature or severity of the handicap is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily; and (C) [procedures-to-insure] *assurances* that testing and evaluation materials and procedures utilized for the purposes of classification and placement of handicapped children will be selected and administered so as not to be racially or culturally discriminatory."

Supporting Statement

This Section requires the States to submit a State Plan providing *procedures* for insuring the guarantee of procedural safeguards for handicapped children and their parents and guardians concerning identification, evaluation, and educational placement of handicapped children in the areas of prior notice of change of the child's educational placement, opportunity for impartial due process hearings, appointment of surrogate parents, mainstreaming, and use of non-discriminatory testing procedures.

The philosophy and benefits of such safeguards are not disputed; however, the requirement for a precise delineation of State *procedures* within the State Plan to implement the basic philosophy is questioned. The full faith in the States in fulfilling the federal mandate for procedural safeguards could effectively be expressed through basic assurances rather than through a precise (and limiting) statement of procedures. The utilization of appropriate procedures to be undertaken in fulfilling these assurances should be within the province of the States and should not be subject to federal mandate.

ATTACHMENT C.—ADULT EDUCATION

1. SPECIAL PROJECTS, SECTION 309

Proposed Amendment: Section 309

The suggested language should read: "Of funds allotted to a State under Section 305 for a fiscal year, not less than 5 percentum and not more than 15 percentum shall be used for—"

Supporting Statement

The proposed amendment would strengthen the legislation and maintain the intent of Congress for the following reasons:

(1) The establishment of a range would give the States the flexibility necessary to manage the program and yet maintain the intent of Congress. It is administratively extremely difficult to spend an exact sum, particularly when other institutions would be involved in spending plans. Yet, under the suggested 15 percent mandate, should a State not expend an exact amount, even though through no fault of its own, that amount would be deducted from the following year's appropriation. Permitting a flexible range would remove this penalty.

(2) The original purpose of the Act in 1966, which is still relevant today, was to provide employment opportunities for undereducated adults. While special project activities are necessary, it would appear that the basic intent of Congress is to serve students who desperately need the services of the program.

(3) Due to a change in the allotment formula, many States were cut back from previous funding levels. After complying with the 15 percent mandate for special projects, they find it impossible to maintain a level of programming which they have operated in previous years.

(4) Special projects and training activities have been carried out since 1967. A higher proportion of the Adult Education Act appropriations has gone for demonstration programs than for almost any other federal program. Adult educators believe in the need for special projects but not to the extent that services to adult students must be seriously curtailed.

ATTACHMENT D.—SCHOOL ASSISTANCE IN FEDERALLY AFFECTION AREAS**1. CARRY OVER PROVISION*****Proposed Amendment***

Authorization should be included in the legislation to allow any funds intended to carry out the purpose of section 5(e) and (3) and section 5(f) during any fiscal year which are not obligated and expended prior to the beginning of the succeeding fiscal year to remain available for obligation and expenditure during such succeeding year.

Supporting Statement

There will be a problem of local educational agencies not being able to expend the funds which are to be directed to the particular categorical purposes of compensatory education and programs for handicapped pupil dependents of uniformed service personnel within the year of claim.

Because final entitlements of local educational agencies in this program are not finally determined until the fiscal year following the fiscal year in which the claim is made, it will be impossible for the LEA's to properly and effectively plan and conduct programs designed to meet the special needs to which these categorical purposes are addressed without a provision for carry-over of the funds.

2. STATE ADMINISTRATIVE FUNDS***Proposed Amendment***

It should be authorized to pay to each state as necessitated by the activities described in section 5(e)(3) and section 5(f) during any fiscal year an amount equal to not more than 5 percent of the total payments made to local educational agencies within the State for the purposes of these sections of the legislation.

Supporting Statement

There is a need for administrative funds to enable the State Education Department to fulfill its responsibilities in relation to the new categorical areas. It will be required that expenditure of these categorical funds be made in projects approved by the State Education Department and which are coordinated with other projects being conducted in these two areas of need. In the past, the New York State Education Department has provided assistance to local educational agencies in the compilation, computation, printing and typing of data for LEA applications, has used SED computers, mailed out program information and documents, and assisted U.S. Office of Education personnel on field visits and field audits. The additional requirements of the P.L. 93-380 amendments will

make the application process further complicated and increase the need for SEC assistance, not only in administrative aspects but also for programmatic planning and coordination.

ATTACHMENT E.—BILINGUAL EDUCATION SECTION 703 (a) (4) (E)

1. ADVISORY COUNCIL

Proposed Amendments

1. To allow for participation of parents of *program participants*, the majority of which should represent the non-English speaking students.

2. That continuation programs be allowed to use the advisory committee which are already operative according to the 1968 legislation.

(E) An application for a program of bilingual education shall be developed in consultation with parents of children of limited English-speaking ability, teachers, and, where applicable, secondary school students, in the areas to be served, and assurances shall be given in the application, that after the application has been approved under this title, the applicant will provide for participation by a committee composed of, and selected by parents of children in the program, and, in the case of secondary schools, representatives of secondary school students to be served.

Supporting Statement

Title VII programs have, since the enactment of the 1968 legislation, included English dominant children on a voluntary enrollment basis. The bilingual advisory committees were composed of parents of *program participants*, teachers, community members and students, where applicable. The new statute would dismantle the advisory committees that have been working throughout the state. English dominant parents will be asked to enroll their children voluntarily, but will be excluded from participating as advisory committee members. Such a move is divisive and may cause serious problems throughout the states. Furthermore to include *only* parents of non-English speaking children and to exclude teachers and administrators stifles cooperative efforts and meaningful planning at the district level.

ATTACHMENT F.—NATIONAL READING IMPROVEMENT PROGRAM—TITLE VII

1. STATE PROGRAMS

Proposed Amendment

Part B should be amended by repealing all of Sec. 712.

Supporting Statement

At the present time, the U.S. Office of Education interprets the Title VII, National Reading Improvement Program, such that it provides no state role in Part A—Reading Improvement Programs. Since existing state Right-to-Read Programs have demonstrated their ability to impact on reading instruction in 1200 school districts serving 3.7 million students with the current level of funding ranging from \$115,000 to \$825,000 per state, the continuation of Federal support for state programs would be a cost effective means for influencing instructional quality and, as a result, student achievement.

On May 13, 1975, Minnesota Commissioner of Education Casmey sent a letter to U.S. Commissioner of Education Bell which explains our common problem with this program and is illustrative of the problems we have with other programs. The following is the body of Commissioner Casmey's letter.

"Thank you for your letter regarding the National Reading Improvement Program as enacted by Title VII of the Education Amendments of 1974, P.L. 93-380. I must hasten to add that I do not agree with your interpretation of the legislation.

"The second paragraph of your letter states, 'As you recall, Part A of Title VII provides for Reading Improvement Projects in schools and sets out 14 specific requirements which must be contained in each funded program and which relate on their face primarily to the direct provision of reading instructional and related services to teachers and children in schools. Part B of Title VII provides for State Reading Improvement Programs and would allow continuation of many activities currently supported by grants to states from Right to Read, as well

as authorizing subgrants from the state educational agencies to local educational agencies.'

"Firstly, your emphasis on the term '*in schools*' is taken out of context. The law states in Section 705(a)(1) that 'the Commissioner is authorized to enter into agreements with either State or local agencies, or both, for the purpose of carrying out by these agencies, in schools [NO COMMA] having large numbers or a high percentage of children with reading deficiencies . . .'

"Under your interpretation, no large school district could be funded since the same criteria would apply to local education agencies as to State education agencies. You would only be permitted to fund individual school buildings which, in most instances, have no authority to accept funds. It is my contention that either a State or a local education agency would be eligible for funding if their project met the 14 criteria stated in Section 705(b)(1)-(14).

"Your interpretation that Part A was intended for school districts and Part B was designed for States is totally erroneous. Part B did not exist until the Conference Committee sessions, while Part A was introduced independently more than a year before that time.

"Secondly, I strongly question your statement regarding 'the direct provision of reading instructional and related services to teachers and children in schools.' This language is not found in the Act, the Conference Report, nor the Committee Reports. Neither is this concept implied in any of these documents. It appears this language was used simply to support your thesis that State agencies are not eligible for funding under this Section. Again, such 'direct services' would eliminate the funding of a Chicago or Minneapolis school district because the grantee (the local education agency) may not be teaching children themselves, but providing instructors to work with teachers or children.

"I agree with your statement in paragraph four of your letter which says, 'The SEA can receive grant funds, but only to carry out an appropriate Part A project in schools which would meet the 14 program requirements.'

"But I disagree with your following qualifying statement which speaks of direct administration of a reading program in the schools. Again, these terms are not found in the Congressional documents, but seem to originate in the U.S. Office of Education.

"I strongly urge you to reconsider your preliminary analysis of this legislation, and in turn, produce regulations that encourage state agencies to become full and complete partners without Office of Education engendered restrictions, and as intended by Congress."

"I do understand that the U.S. Office of Education has asked OMB for clearance of some technical amendments which purport to clear up this matter. If no early solution can be found, I would recommend a repeal of Sec. 712.

2. PART C—OTHER READING IMPROVEMENT PROGRAMS

Proposed Amendment

Section 723(a) should be amended by inserting "school-age as well as out-of-school" before the word "youth".

Supporting Statement

No part of the Reading Improvement Act provides assistance to secondary school-aged youth. Amendment of Section 723(a) to include school-age as well as out-of-school youth would permit services to be provided for this group which is now excluded from the Act.

3. PART C—SECTION 722(c)

Proposed Amendment

Section 722(c) should be amended by adding after "fiscal year ending June 30, 1975", "\$5,000,000 for each of the fiscal years ending June 30, 1976, 1977 and 1978".

Supporting Statement

These sections, relating to Section 722, Reading Training on Television, provide authorization for only one year of funding.

It is unlikely that any carefully designed and developed project could be completed from planning to production in a one-year period under current restrictions imposed by Federal and State finance regulations. The period of time and

funding for such a project to be carried out effectively should be extended over the three-year life of the legislation.

ATTACHMENT G

[Telegram]

DR. EWALD B. NYQUIST,

*Commissioner of Education State Education Agency,
Albany, N.Y.*

Reference is made to your telegram of October 22. The consolidation seems to eliminate the state testing program funded from guidance, counseling and testing (ESEA) Title III at a cost of approximately \$150,000 and special incentive programs for libraries (ESEA, Title II) at a cost of approximately \$146,000. These programs have been very helpful and we need the flexibility to continue them under P.L. 93-380, Title 14, Part B.

LEROY BROWN.

State Superintendent of Education.

STATE OF CALIFORNIA,

DEPARTMENT OF EDUCATION,

Sacramento, Calif., November 6, 1974.

Hon. EWALD B. NYQUIST,

*Commissioner of Education,
State Education Department,
Albany, N.Y.*

DEAR DR. NYQUIST: In response to your telegram of October 22, 1974, I am pleased to make the following comments:

The Education Amendments of 1974, P.L. 93-380 H.R. 69, do present a problem to some California programs. We have particular concern about the possible loss of Leadership and Supervision monies to strengthen guidance and counseling programs. These funds in the past have enabled the Department to provide strong leadership, develop models, and materials and in general to advance the guidance program in the state. Private school testing has also been a part of this program. Without these funds, the leadership program for guidance, counseling and testing will suffer.

NDEA Title III programs will also suffer under the present interpretation of the law. Unless the state matching funds are included in the base for the 5 percent administration, the State leadership program will be weakened.

The two programs mentioned above would lose staff as well as other resources. The amount would be in excess of \$300,000.

The California Department of Education strongly urges the continued availability of these funds. The staff is currently preparing recommendations for a trailer bill and regulations. They will be forwarded to you as soon as possible.

Sincerely,

WILSON RILES.

STATE OF INDIANA.

DEPARTMENT OF PUBLIC INSTRUCTION.

Indianapolis, Ind., October 25, 1974.

DR. EDWARD B. NYQUIST,

Commissioner of Education, State of New York, Albany, N.Y.

DEAR DR. NYQUIST: At present guidance, counseling and testing program monies are used in Indiana to fund services to local schools from the state level in the following areas.

1. Three consultants in counseling-----	\$50,128
2. Two consultants in testing-----	31,902
3. Year long in-service program in 16 school corporations servicing one-third of the counselors—one third of the students-----	40,000
4. Area conferences and workshops-----	27,500
5. Preparation, publication, and dissemination of materials-----	10,000
	150,530

As we understand present guidelines there would be no money to support these programs. In addition, it would be impossible to carry out Part B, Libraries and

Learning Programs, Sec. 421, Part C, programs, projects and leadership activities designed to expand and strengthen counseling and guidance services in elementary and secondary schools.

I strongly support all appropriate actions to insure that leadership and supervision of guidance and counseling and testing activities be continued at the state level.

If we can be of further assistance, please contact Mr. Ray Slaby, Associate Superintendent or Mrs. Sparkle G. Crowe, Director, Pupil Personnel Service.

Yours truly,

HAROLD H. NEOLEY,
State Superintendent
of Public Instruction.

STATE OF IOWA,

DEPARTMENT OF PUBLIC INSTRUCTION,

Des Moines, Iowa, October 28, 1975.

DR. EWALD B. NYQUIST,
Commissioner of Education,
State of New York,
Albany, N.Y.

DEAR DR. NYQUIST: The consolidation of certain programs as proposed by the Office of Education under Title IV, Part A, Section 403(a) and (s) state plans for Part (b) libraries and learning resources will materially handicap the ability of Iowa to provide statewide programs as follows:

I. Description of Program—ESEA Title II—Elementary Secondary Education Act Title II—School Library Resources.

Funding Source—ESEA Title II.

Amount of Funds—\$1,255,502 FY 74.

Importance to Iowa—The Iowa State Plan for ESEA Title II since the implementation of the act in 1966 has provided all ESEA Title II funds to sixteen sub-agency chairmen (County Superintendents) and their boards to purchase school library resources for the sixteen regional educational media centers.

Our regional educational media centers would basically be without funds for the purchase of materials if it were not for ESEA Title II.

No ESEA Title II funds in Iowa have gone to local school districts.

Interest in Continuing Such Programs—Iowa has a very definite interest and desire in continuing to use Title IV Part B funds under P.L. 93-380 as a continuation of the program and as a replacement for ESEA Title II funds. Our regional educational media centers will become Area Education Agency Media Centers under new state legislation on July 1, 1975. Funding provided at the state level by this new legislation for the Area Education Agency Media Centers provides finances primarily for operation. This leaves our state with a heavy reliance on the necessity and continued availability of ESEA Title II funds or Title IV Part B funds of P.L. 93-380.

II. Description of Program—Guidance, Counseling and Testing, Leadership and Supervision.

Funding Source—Title III, ESEA.

Amount of Funds—\$52,000.

Importance to Iowa—There still remains a great need for implementation of guidance programs at the elementary school level and to further develop existing programs at both the elementary and secondary level. These can be developed only with appropriate state leadership and guidance.

Interest in Continuing Such Programs—Under NIDEA we utilized 50% federal and 50% state matching to provide leadership and guidance. Under Title III, ESEA we were still dependent upon the Leadership and Supervision monies, although to a lesser degree.

We have utilized the project approach for the further establishment and development of programs of guidance services to Iowa's LEA's. It is our understanding that it is currently the contention of USOE personnel that under consolidation (Title IV, Part B, P.L. 93-380) the states have lost (FY-77) the potential for utilization of Guidance, Counseling and Testing monies for leadership and supervision activities, as well as the project approach for the implementation and further development of local guidance programs. This would appear to be contrary to the intent of Section 421(b).

Sincerely,

ROBERT D. BENTON,
State Superintendent of Public Instruction.

KANSAS STATE DEPARTMENT OF EDUCATION,
Topeka, Kans., October 25, 1974.

Hon. EWALD B. NYQUIST,

Commissioner of Education, State Education Department, Albany, N.Y.

DEAR COMMISSIONER NYQUIST: This is in response to your recent request for a list of state-wide programs which might be eliminated under consolidation provisions of P.L. 93-380, Part A, Section 403(a) and (5). We do not have any state sponsored programs under NDEA III. However, under Title II, ESEA we have had a Demonstration Library Program funded by 15% of our flow-through funds, which we feel has been quite successful. The amount involved in this program was approximately \$150,000 annually. We also funded a few Right-to-Read programs from this source. It would seem that the new legislation would also curtail participation in Consortium efforts such as those involving the Agency for Instructional Television (AIT) which we consider to be quite worthwhile and, under limitations of the Consolidated Title II program, funds could not be used by the State for this purpose. There would seem to be a possibility also that quality control on regular project activities might suffer due to limitation of state administrative funds.

Under the Guidance, Counseling and Testing section of Title III, ESEA, we have been funding Elementary Guidance Programs which met criteria set up at the SEA level. Such programs would still be possible if LEA's desired, but state direction and assistance would be limited or non-existent. The amount of this program was \$240,000 annually.

Also under Guidance, Counseling and Testing we conducted a statewide testing program in the amount of \$20,000 and a Guidance In-Service Training Program involving some \$25,000 of Guidance, Counseling and Testing (Title III) funds.

We believe that it is important that there is provision for direction and coordination at the state level in order that funds may be used to achieve state-wide educational goals and we see a possibility that the consolidation plan may not serve to achieve the purposes originally envisioned.

Perhaps the State Plan might help to bring about progress toward state-wide educational improvement, but with a probable curtailment of available administrative and program funds for use at the state level, it would appear that a coordinated effort toward state-wide goals would be difficult to achieve.

Sincerely,

C. TAYLOR WHITTIER,
Commissioner of Education.

STATE DEPARTMENT OF EDUCATION,
Jefferson City, Mo., October 23, 1974.

Dr. EWALD B. NYQUIST,

*Commission of Education, State of New York,
Albany, N.Y.*

DEAR DR. NYQUIST: I am pleased to respond to your telegram of October 22, 1974, in which you request information about the effect of Title IV, Part B, P.L. 93-380 on state-wide programs in Missouri.

The following state-wide programs would be affected in this State:

Program	Fiscal year 1975 budget	Source of Funds
Statewide leadership activities in guidance counseling and Testing.	\$110,000	Title III, ESEA Program Funds.
Statewide testing programs.....	12,500	Title III, ESEA Administrative funds.
Statewide assessment.....	76,000	Title III, ESEA Administrative funds.

As we interpret P.L. 93-380, costs such as these would have to be borne from the five per cent of the state's allocation reserved for administration of the state plan, and/or from the funds set aside for Title V types of activities. If our interpretation is correct, this requirement would severely restrict the level of services and activities in those areas.

I will be happy to share with you any other information you may find useful.
Please let me know if I can be of help to you.

Sincerely,

ARTHUR,
Commissioner.

[Telegram]

EWALD B. NYQUIST,
New York State Commissioner of Education,
Albany, N.Y.

If title IV of the education amendments of 1974 is interpreted to mean that all funds under part B., libraries and learning resources, must be allocated to LEA's North Carolina will lose the availability of these funds for the following existing programs.

From ESEA, title II.

(1) Purchase of films for five regional center film libraries—approximately \$75,000 per year.

(2) State purchase of television tapes for broadcast throughout the State—approximately \$25,000 per year.

From ESEA, title III—guidance and counseling.

(1) State consultants in social work, guidance, and C psychology who work with their local counterparts—approximately \$80,000 per year.

(2) Guidance workshops for local guidance counselors—approximately \$5,000 per year.

These programs are extremely important to North Carolina. We are interested in having new regulations which will make it possible to continue them. We suggest that up to but not more than ten percent of the part B monies be available for State purchase or special LEA projects.

Thanks for your efforts.

Sincerely yours,

A. CRAIG PHILLIPS,
*North Carolina Superintendent
of Public Instruction.*

STATE OF OHIO,

DEPARTMENT OF EDUCATION,

Columbus, Ohio, October 28, 1974.

Dr. EWALD B. NYQUIST,
Commissioner of Education,
Albany, N.Y.

DEAR Dr. NYQUIST: The possible loss in funds for State leadership purposes through program consolidation cutbacks included in 93-380 are significant in the area of Guidance and Testing. For the last few years, we have supported staff in the Division of Guidance and Testing, educational models for elementary guidance to conform to State standards, provided guidance and counseling program models for the child with special needs and provided demonstration procedures for the effective use of standardized and other tests. Contracts have been let with 20 urban centers to establish career guidance, counseling and placement, and follow-up. We have provided reimbursement to schools for the purchase of tests with a goal of more effective utilization.

In addition, we have developed, implemented and diffused an early identification process for preschool children that is the basis for individualizing a child's instruction. Staff members of the Division of Guidance and Testing have provided intensive on-site assistance to school counselors, their principals and have sponsored many regional, statewide inservice conferences. Costs for these efforts are \$730,000 per year. They would be lost under the provision of 93-380.

Sincerely,

FRANKLIN B. WALTER,
*Deputy Superintendent,
of Public Instruction.*

[Telegram]

EWALD B. NYQUIST,
New York State Commissioner of Education, Albany, N.Y.

Response to your telegram relative to educational amendments of 1974 Public

Law 93-380. State wide program expenditures budgeted for fiscal year 1976 from former NDEA five funds incorporated into Title III ESEA program funds amounts to \$102,120. South Carolina reduced funding of State wide program funds which in fiscal year 1974 amounted to \$292,000 the indications that are under Public Law 93-380 consolidation the state will be unable to continue the guidance and testing program at the same level as has been possible under present funding.

CYRIL BUSBEE,
South Carolina State Superintendent
of Education.

UTAH STATE BOARD OF EDUCATION,
Salt Lake City, Utah, October 22, 1974.

Ewald B. Nyquist,
*New York State Commissioner of Education,
Albany, N.Y.*

DEAR DR. NYQUIST: In response to your telegram of October 22, 1974 regarding the educational amendments of 1974, our state would be adversely affected if the amendments were to be passed as they are now stated. We have two programs which we have been encouraging utilizing Title II ESEA funds that would be entirely eliminated. They are:

1. Model Media Program—10% of our Title II funds have been devoted to the development of model or demonstration programs around the state. While utilizing only a small portion of the funds, these demonstration centers have done much to communicate and promulgate the idea of instructional media throughout our state. Without the opportunity to earmark a portion of funds to be used on this basis, this program would vanish.

2. Regional Instructional Media Centers—10% of our Title II ESEA funds have also been earmarked for the purchase of instructional materials to be used on a regional basis. We have found that not all materials can be purchased on a local district level as many of our districts in scattered parts of the state are extremely small. Nevertheless, some materials (particularly motion picture films) are valuable teaching tools and needed in all of the schools of our state and especially those in the remote areas. Therefore, we established regional centers and utilized a portion of the Title II ESEA funds as seed money to encourage the districts which co-sponsors the regions to establish regional media centers. It has taken almost ten years but we have been successful in now reaching a point where 14 centers cover the state fairly adequately. Without the ability to continue marking a portion of the funds for this purpose, we are quite certain that many of the collections these centers have now would be decimated and over a period of years would vanish thus resulting in a substantial loss of resource materials to our students.

In our opinion, both of these programs make extremely valuable contributions to the improvement of education. To lose them would be disastrous. We need to do all we can to eliminate such restrictions in the new educational amendments for 1974.

Sincerely,

BERNARD S. FUNKE,
*Administrative Assistant
and Federal Programs.*

STATE OF WEST VIRGINIA,
DEPARTMENT OF EDUCATION,
Charleston, W. Va., October 30, 1974.

Dr. Ewald B. Nyquist,
*Commissioner of Education,
State Education Department,
Albany, N.Y.*

DEAR DR. NYQUIST: Reference is made to your telegram of October 22, 1974, concerning the possible loss of certain state-wide programs under the educational amendments of 1974—P.L. 93-380, specifically Title IV, Part A, Section 403(A) (5). After discussing this matter with members of my staff, it appears that West Virginia will lose the state-wide testing of private schools as well as financial support for our Division of Guidance, Counseling and Testing. Currently the of our Division of Guidance, Counseling and Testing from administrative funds

under ESEA III. Twenty thousand dollars is used to support the current expenses of our Division of Guidance, Counseling and Testing from administrative funds under ESEA III. Under the complete discretion provision of the above cited statute, both of these state-wide programs will be lost. Needless to say our Guidance, Counseling and Testing programs have provided a much needed service in West Virginia and need to be continued.

I hope this information will be of some help to you.

Very truly yours,

DANIEL B. TAYLOR,
State Superintendent of Schools.

ATTACHMENT II

PUBLIC LAW 92-318, TITLE VII—EMERGENCY SCHOOL AID ACT

1. Authority to Approve Applications, Sec. 706(a)(1)

Proposed Amendment

"The Assistant Secretary [is authorized] shall allocate to state education agencies all funds apportioned to the states pursuant to Section 705. State education agencies are authorized to make a grant to, or a contract with, a local educational agency—"

Supporting Statement

Desegregation and/or the reduction or prevention of minority group isolation are complicated and sensitive undertakings and require the closest cooperation among levels of government. State education agency officials, who are in the best position to be knowledgeable about desegregation-related problems in school districts, are in a better position to make decisions concerning funding of ESAA applications.

ESAA applications, which are reviewed and approved currently at USOE regional level, should be handled by the States. This would necessitate an allocation of funds to state education agencies. The utilization of funds by local education agencies to achieve the purposes of the Act would be enhanced by a system of state allocation.

The Act reserves certain funds for funding decisions made by the Assistant Secretary. These programs are as follows:

	Percent
Bilingual/bicultural	4
Educational television	3
Special programs	5
National evaluation	1

The amendment would provide for state education agencies making funding decisions on the following programs:

	Percent
Basic and pilot grants to school districts	79
Grants to nonprofit organizations	8

Chairman PERKINS, Commissioner Turlington.

STATEMENT BY COMMISSIONER RALPH D. TURLINGTON, FLORIDA STATE DEPARTMENT OF EDUCATION

Mr. TURLINGTON, Mr. Chairman and members of the committee, I am Ralph D. Turlington, commissioner of education for the State of Florida.

I am here today to discuss the proposed title I "Comparability of Services" regulations that were promulgated by the U.S. Office of Education on March 11 of this year.

We recognize these regulations as a sincere effort on the part of the U.S. Office of Education to insure that educationally disadvantaged

youngsters attending title I schools in low-income areas receive an "equal educational opportunity" from State and local funds before Federal title I funds are placed in those schools. We share this same concern with the U.S. Office of Education.

In section 801 of part A of title VIII, the Elementary and Secondary Education Act, the Members of Congress, in their collective wisdom, placed into law a national policy with respect to equal education opportunity, and conceptually I would like to say that we do not disagree with this policy as stated.

I would like to read that policy to you:

Recognizing that the Nation's economic, political, and social security require a well-educated citizenry, the Congress (1) reaffirms, as a matter of high priority, the Nation's goal of equal educational opportunity, and (2) declares it to be the policy of the United States of America that every citizen is entitled to an education to meet his or her full potential without financial barriers.

Our dilemma revolves around the fact that the proposed title I "Comparability of Services" regulation is so rigid that apparently the only way the U.S. Office of Education feels that a State can achieve "equal educational opportunity" for all the children described in title VIII is by utilizing the U.S. Office of Education formula as described in title I "Comparability of Services" regulation.

We think that we have a better means of achieving this national goal, certainly within the State of Florida.

Since these rigid regulations do not make provisions for States to explore alternative approaches to meeting the same goal, we are forced to take issue with the provisions of this proposed regulation.

As I discuss our concerns with the proposed U.S. Office of Education regulations, I will discuss them in light of our own State's approach for achieving the same goal. I will also attempt to point out the areas of conflict between our approach and the approach proposed by the U.S. Office of Education.

In Florida, our school systems are funded under the authority of the Florida Educational Finance Act. This act is an attempt to equalize educational opportunities down to the individual child level for every child in every public school in our State.

Under this law, each school system will receive a base amount, or does receive a base amount, for each child in the system. This coming year, this figure is estimated at \$745 per child.

Further, each district is mandated by State law to contribute 7 mills of local tax dollars into the State equalization formula. Since local school districts are also limited by law to an 8 mill cap for local school taxes, and since 7 of their 8 mills must go into the State equalization formula, local school districts in Florida have only 1 mill of local educational taxes over which they have complete discretion, or is unequalized.

There is also recognition on our part, as there is in the Congress, that many times you have to give unequal funds to children with handicaps and learning problems in order to equalize their educational opportunities.

We provide different weighted units for different categories of programs. For those of you who are following my statement, you will find on page 3 these different categories that we use. There are 26 of them.

For example, an educable mentally retarded, we have a weight factor of 2.3. We say that it takes about 2.3 times as many dollars per child in that category as it would for a child who did not have a learning handicap, to provide a proper education program for him or her.

We also have different weights by different grade levels. For example, in kindergarten through the third grade, we have a rate of 1.234; but in grades 4 to 10, we only use a weight of 1. In grades 11 and 12, we have a weight of 1.1. Then we have weights for our vocational programs and so forth.

In other words, we have gone through and picked out 26 different categories, and we use them to equalize our programs, or to seek to equalize for each child the program that he needs in order to more fully meet his educational requirements.

Let us put it another way. An educable mentally retarded child needing special assistance would generate 2.3 times \$745 or \$1,713.50.

We have adopted also an approach of "preventative" education, or "early intervention," in the early grades in recognition of the fact that many learning problems can be prevented in later years by giving extra help to a child in his formative years. Therefore, we fund grades kindergarten through third grade at a heavier weighting of 1.234 times \$745 or \$919.33 per child.

Further, to insure that the funds get to the child, the State law mandates that by 1975-76, at least 70 percent of the funds must be traceable not only to the school, but also to the basic program-cost categories within each school.

It is further mandated that this percentage be increased to 80 percent by 1976-77. The State law also requires that each school must have a parent advisory committee to help in the decisionmaking process.

As you can see, we have taken a giant step in assuring equal educational opportunities for all children in the State of Florida.

Now, there are some conflicts between States' equalization efforts and the proposed title I comparability regulations. As you know, the U.S. Office of Education proposes to determine equality essentially with two measures.

The first of these is a comparison of average per pupil expenditures, and the second is a comparison of pupil/instructional staff ratios on a strictly individual school-by-school basis.

At first glance, these two measures appear to be quite reasonable enough. However, I want to share with you some examples of how Florida's approach to equalization comes into direct conflict with the approach proposed by the U.S. Office of Education.

In section 1162.26(i) 1 and 2 of the proposed Federal regulations, the following is stated:

(1) Grouping of Schools: (1) for the purposes of this section, a local educational agency shall group its schools by corresponding grade levels not to exceed three such groups (generally designated as elementary, intermediate or junior high school, and high school or secondary) for all the schools in the school district of such agency, except that local educational agencies providing education at seven or fewer grade levels above kindergarten shall be limited to one group, and those agencies providing education only at eight or nine grade levels above kindergarten shall be limited to two groups. In the case of agencies providing education at any level from grades six through twelve

but only at those levels, the number of such groups shall be limited to two if the number of such grade levels grade levels is five or six and to one group if the number of such grade levels is four or less.

(2) A school serving grades in two or three such groups shall be included in that group with which it has the greatest number of grades in common. Where the number of grades in common are equal between two or more groups, the school shall be included in the lower grade division. For example, a local educational agency might have the following grade span organization: K-6 (elementary), 7-9 (Junior High School), and 10-12 (senior high school). In addition, the local educational agency might have an intermediate school serving grades 5-8. Since this intermediate school has two grades in common with the elementary division (grades 5 and 6) and two grades in common with the junior high division (grades 7 and 8), and it would be included in the lower grade division (elementary) for determining comparability. However, schools serving nine or more grade levels above kindergarten may be considered as a separate group which may, if necessary, constitute a fourth group.

You can see, with our procedure, that we have a great number of groupings of schools, and we think that this is for a good reason. In the case of education agencies providing education at any level from grade 6 to 12 and only at those levels, the number of such groups shall be limited to two.

By the time we go through these straightjackets, there is no way for us to bring ourselves into coordination with them, or them in coordination with us, unless there is some negotiation or flexibility for us to take our approach and workout in negotiation with them what we are seeking to do. This really will need a little more flexibility in terms of the regulations, to do what we believe is a meritorious program.

Let me give you an illustration. Under this provision Florida could not compare grades kindergarten through three (K-3) in title I schools with comparable grade groupings in non-title I schools, but would have to compare title I elementary schools, whatever their grade groupings, with the average of other elementary schools. This does not allow us to recognize our heavier emphasis on grades kindergarten through three.

For example, we have some school centers that only have the sixth grade, and that has a weight of 1. We also have school centers that are kindergarten through first grade. You might say: "How did you ever get school centers like that?" I will leave that to the members as to how this might come about, but these centers are not at all unusual.

So, schools are not like it was while we were growing up, when you went from first through sixth. We have centers out there that have fourth grade centers, sixth grade centers, fifth and sixth grade centers that are K through three, all of these kinds of configurations.

We are saying that we want to put a greater emphasis on those earlier grades. We think that this is where we are going to get the best long-range educational results.

When we do this and we start moving in comparability, where you have the sixth grade center with a weight of one, and a kindergarten through third grade center with a weight of 1.234, it is impossible for us to follow that kind of policy in the comparability. We think that some type of flexibility ought to be provided for us.

Now so much for those comparability problems that we run into. Let us look at another standpoint, and now we are looking at the program.

You know, it is one thing to say: "Here is a center and it has—we are talking about staffing—500 students and it has a staff of 50. Here is another school and it has 500 students and it has a staff of 50."

You may well have, in one of those schools, a high proportion of special education students. For example, if you have, in one center, a school for the hard of hearing, if you have a center for trainable mentally retarded. You look at the way those regulations are set, there are all kinds of ways that you can begin using your imagination about how these manipulations could be done.

You can really say that just because you have 50 in one and 50 in another, you have comparability from the standpoint of the spirit of what we would like to accomplish. We are trying to accomplish comparability, and we think rightly so, with the comparability of programs.

When we say that a program should have a weight of 1.234, or a weight of 2.3, and multiplying that by a basic factor, that gives us a greater element of comparability than it does the way you have school programs that are vastly different from school to school, depending on where your speciality activities are going on.

We would like to be able to work out on a negotiation basis with the U.S. Department of Education, an arrangement whereby we clearly would be in support of the national policy that I read to you earlier in my statement, and at the same time give extra comparability and excellent protection for those boys and girls that are living or going to school under title I project schools.

We think that this can be accomplished, frankly, within the existing law. We think that the existing law would allow the U.S. Department of Education to work out such an arrangement with us to accomplish this.

We think also that this is something that has mass innovation in it, where we should be encouraged and supported in seeking to follow this type of an arrangement, instead of saying:

No; you have to follow a comparability base, based on dollars, from school to school, exact dollars regardless of the programs that you are offering from one school to another, regardless of grade level, almost regardless of grade level, within the standard set up within the regulations.

Then, in addition, you have to have your staffing patterns really in the same straightjacket as between title I and non-title I schools.

We think that this actually defeats our operation.

I will give you another clue as to how it does defeat our operation. We, of course, have been having a struggle with our own districts as to how far a district should have to go in assigning the dollars to schools in which the dollars are earned, and into programs in which the dollars are earned.

Our districts, in arguing that this percentage should be kept as low as possible, point out that in order to compete successfully for title I funds, they need considerable flexibility. In other words, what is happening is that when we try to meet the one test, we defeat ourselves on the other.

I will say that if you will give us the authority to negotiate with the Department, we think that we can work out an arrangement that will fully protect the policies described by your committee and by

Congress in carrying out the national policy which I read in the Elementary and Secondary Education Act.

Now, there are certain requirements that might be used in setting up a standard such as this, that the States have a statewide equalization program. If you want to require a statewide equalization program of, let us say, 80 percent of the funds of the State, or State and local, and 90 percent, either of those figures would be satisfactory to us, and that would include all State and local operating funds.

Next we would provide that this could be done only in the cases where the equalization program would be applicable to the individual school level.

Let me make a point here about our program, where we are moving to put in effect our management—

Chairman PERKINS. I am going to have to leave, but I do want to ask a question or two of you.

Commissioner Nyquist, you refer in your statement to a problem with the new requirements in the Federal law. It is my hope that the committee, next week, will be marking up a new piece of legislation.

Do you have any particular advice that you would like to give us now so far as that legislation is concerned? You referred to the handicapped in your testimony this morning?

Dr. NYQUIST. Yes; I have two or three points. I just happen to have them ready here. One is, we are very unhappy with the direct flow of funds, with the bypassing of States. We understand that you would give all the funds directly to the local education agencies.

In the first place it is not cost effective. You are contributing \$20 per handicapped child, and it is not very much. It is not cost effective. You are not allowing for a concentration of funds where it would do a lot of good.

You are not permitting the States to coordinate other State programs for the handicapped with Federal funds.

We are also unhappy with the provision where the advisory council has compliance and planning functions. We think that to make it advisory is one thing, but to give it certain other functions is going to complicate our lives in the States.

Finally, your bill does not have an emphasis on priorities as to those who are served and those who are not served at all.

Chairman PERKINS. That is what worries me about the bill.

Dr. NYQUIST. It is very important, until we get over the hump.

Chairman PERKINS. We are only saying those that are currently being served, and we are omitting those who are not now being served.

Dr. NYQUIST. In conclusion, may I say that we would much prefer, and I know there are other States who would join, to have a simple explanation of the present law.

Chairman PERKINS. Let me think about this. We are not going to cut you short by any means in the world. I have to go to another meeting now, but I wanted to ask that question of Dr. Nyquist.

I am concerned about only servicing those who are presently being served. This is a great concern at this point. Thank you.

Mr. Lehman is now going to chair the committee.

Mr. TURLINGTON. Our finance program is seeking to put the management decisions, insofar as possible, at the school level. We think that this is consistent with bringing in a great deal of parent participation.

We also think that it will be, in the final analysis, a more efficient and effective school service. When this is done, we will have to have comparability. The way the present regulations are, we are just about out of business trying to follow that type of an arrangement.

We believe that we have hit on the head a long-range program to get the job done. We would hope that title I could be used to help us effect these things rather than be working at cross purposes as to our objectives.

I would like now to make some comments about some other areas of concern. One is about maintenance of effort, the maintenance of expenditure from non-Federal sources. I think that I am going to summarize by simply saying that when the economy falls upon hard times, we need a little different approach to maintenance of effort.

We have made some surveys of our districts, and we find that we do not have maintenance of effort in some of our programs. We believe that if we are going to have a general reduction in expenditures, let us say, per child within a district, we ought to have the flexibility of moving downward in terms of federally supported programs, equally with our own State-supported programs, or at least in proportion. I can see no real objection to this approach.

Next, I would like to say that there is a new look in State educational leadership. We believe that the State departments of education today are far stronger than they have been in the years past.

State education agencies have played a major role in the educational transition. Education is the single, most important function of State government today. The sophistication and increased capabilities of State education agencies reflect the importance of that responsibility.

Congress must periodically review its own role as expressed in the principle of equality of educational opportunity to realize its greatest impact on the growth of education in America.

Next is the flexibility for State education agencies, and I will not comment greater on that beyond my printed remarks, except to say that generally we would feel that block grants and greater consolidation, in the final analysis, is superior to more stringent categorization.

Mr. LEHMAN. Do you think that you could wrap it up?

Mr. TURLINGTON. I would like to say one thing about advisory councils. We believe that we have enough advisory councils. We think that we have an ample amount of advice.

We need to take what we have already received, and mull that over. I think that this would be better than adding on any more advisory councils.

Another word about advisory councils. Advisory councils should not be set up, speaking about the handicapped legislation or any other; you ought to have somebody there in significant numbers that represent what I would call total public interest as opposed to the special interest of a particular group.

I would say this in dealing with handicapped children, or gifted children, or any other type of children served.

Mr. LEHMAN. Does that complete your statement?

Mr. TURLINGTON. Yes.

Mr. LEHMAN. Thank you Commissioner.

[Prepared statement of Ralph D. Turlington follows:]

PREPARED STATEMENT OF RALPH D. TURLINGTON, FLORIDA STATE DEPARTMENT OF EDUCATION

Mr. Chairman, Members of the Committee, I am Ralph D. Turlington, Commissioner of Education for the State of Florida. I appreciate the opportunity to represent our state educational system to present our views on Public Law 93-380. Although we have concerns about several areas of this law, about which we have provided the committee with written comments, I am here today to discuss the proposed Title I "Comparability of Services" Regulations that were promulgated by the U.S. Office of Education, on March 11, 1975. We recognize these regulations as a sincere effort on the part of the U.S. Office of Education to insure that educationally disadvantaged youngsters attending Title I schools in low income areas receive an "equal educational opportunity" from state and local funds before federal Title I funds are placed in those schools. We share this same concern with the U.S. Office of Education.

In Section 801 of Part A of Title VIII of the Elementary and Secondary Education Act the members of Congress, in their collective wisdom, placed into law a national policy with respect to equal educational opportunity. Conceptually, we do not disagree with this policy as stated: "Recognizing that the Nation's economic, political, and social security require a well-educated citizenry, the Congress (1) reaffirms, as a matter of high priority, the Nation's goal of *equal educational opportunity*, and (2) declares it to be the policy of the United States of America that *every citizen is entitled to an education* to meet his or her full potential without financial barriers."

Our dilemma revolves around the fact that the proposed Title I "Comparability of Services" regulation is so rigid that apparently the only way the U.S. Office of Education feels that a state can achieve "equal educational opportunity" for all children as described in Title VIII is by utilizing the U.S. Office of Education formula as described in the Title I "Comparability of Services" regulation.

Since these rigid regulations do not make provisions for States to explore alternative approaches to meeting the same goal, we are forced to take issue with the provisions of this proposed regulation.

As I discuss our concerns with the proposed U.S. Office of Education regulations, I will discuss them in light of our own State's approach for achieving the same goal. I will also attempt to point out the areas of conflict between our approach and the approach proposed by the U.S. Office of Education.

BRIEF BACKGROUND INFORMATION ON FLORIDA'S SCHOOL LAW

In Florida, our school systems are funded under the authority of the Florida Educational Finance Act. This act is an attempt to equalize educational opportunities down to the individual child level for every child in every public school in our state. Under our law, each school system receives a base amount for each child in their system. This base figure is estimated at \$745.00 per child for the 1975-76 school year. Further, each district is mandated by State law to contribute 7 mills of *local* tax dollars into the State equalization formula. Since local school districts are also limited by law to an 8 mill cap for local school taxes, and since 7 of their 8 mills must go into the State equalization formula, local school districts in Florida have only one (1) mill of local educational taxes over which they have complete discretion.

There is also a recognition on our part, as there is in Congress, that many times you have to give unequal funds to children with handicaps and learning

problems in order to equalize their educational opportunities. Therefore Florida provides the following weighted units for the following categories of programs:

	Cost factor
1. Basic programs:	
a. Kindergarten and grades 1, 2, and 3-----	1.234
b. Grades 4, 5, 6, 7, 8, 9, and 10-----	1.00
c. Grades 11 and 12-----	1.10
2. Special programs for exceptional students:	
a. Educable mentally retarded-----	2.30
b. Trainable mentally retarded-----	3.00
c. Physically handicapped-----	3.50
d. Physical and occupational therapy I-----	6.00
e. Speech and hearing therapy I-----	10.00
f. Deaf-----	4.00
g. Visually handicapped I-----	10.00
h. Visually handicapped-----	3.50
i. Emotionally disturbed I-----	7.50
j. Emotionally disturbed-----	3.70
k. Socially maladjusted-----	2.30
l. Specific learning disability I-----	7.50
m. Specific learning disability-----	2.30
n. Gifted I-----	3.00
o. Hospital and homebound I-----	15.00
3. Special vocational-technical programs:	
a. Vocational education I-----	4.26
b. Vocational education II-----	2.50
c. Vocational education III-----	2.00
d. Vocational education IV-----	1.70
e. Vocational education V-----	1.40
f. Vocational education VI-----	1.00
4. Special adult education programs:	
a. Adult basic education and adult high school-----	1.28
b. Community service-----	.68

In other words, an educable mentally retarded child needing special assistance would generate 2.3 times \$745.00 or \$1,713.50.

We have also adopted the approach of "preventative" education or "early intervention" in the early grades in recognition of the fact that many learning problems can be prevented in later years by giving extra help to a child in his formative years. Therefore, we fund grades kindergarten through three (K-3) at a Bevilaer weighting of 1.234 times \$745.00 or \$919.33 per child.

Further, to insure that the funds get to the child, the state law mandates that by 1975-76 at least 70% of the funds must be traceable not only to the school, but also to the basic program-cost categories within each school. It is further mandated that this percentage be increased to 80% by 1976-77. The state law also requires that each school must have a parent advisory committee to help in the decision-making process.

As you can see, we have taken a giant step in assuring equal educational opportunities for all children in the State of Florida.

CONFLICTS BETWEEN THE STATE'S EQUALIZATION EFFORTS AND THE PROPOSED TITLE I COMPARABILITY REGULATIONS

As you know, the U.S. Office of Education proposes to determine equality with essentially two measures: (1) a comparison of average per pupil expenditures and (2) a comparison of pupil/instructional staff ratios on a strictly individual school by school basis. At first glance, these two measures sound reasonable enough. However, I would like to share with you some examples of how Florida's approach to equalization comes into direct conflict with the approach proposed by the U.S. Office of Education.

In Section 1162.26(1) 1 and 2 of the proposed Federal Regulations the following is stated:

"(1) Grouping of schools: (1) For the purposes of this section, a local educational agency shall group its schools by corresponding grade levels not to exceed three such groups (generally designated as elementary, intermediate or junior high school, and high school or secondary) for all the schools in the school dis-

trict of such agency, except that local educational agencies providing education at seven or fewer grade levels above kindergarten shall be limited to one group, and those agencies providing education only at eight or nine grade level above kindergarten shall be limited to two groups. In the case of agencies providing education any level from grades six through twelve but only at those levels, the number of such groups shall be limited to two if the number of such grade levels is five or six and to one group if the number of such grade levels is four or less.

(2) A school serving grades in two or three such groups shall be included in that group with which it has the greatest number of grades in common. Where the number of grades in common are equal between two or more groups, the school shall be included in the lower grade division. For example, a local educational agency might have the following grade span organization: K-6 (elementary), 7-9 (junior high), and 10-12 (senior high). In addition, the local educational agency might have an intermediate school serving grades 5-8. Since this intermediate school has two grades in common with the elementary division (grades 5 and 6) and two grades in common with the junior high division (grades 7 and 8), it would be included in the lower grade division (elementary) for determining comparability. However, schools serving nine or more grade levels above kindergarten may be considered as a separate group which may, if necessary, constitute a fourth group."

In other words, under this provision Florida could not compare grades kindergarten through three (K-3) in Title I schools with comparable grade groupings in non-Title I schools, but would have to compare Title I elementary schools, whatever their grade groupings, with the average of other elementary schools. This does not allow us to recognize our heavier emphasis on grades kindergarten—3.

For example, if there were only two elementary schools in a district; one a Title I school, and one a non-Title I school, and if the non-Title I school had a greater preponderance of students in kindergarten through third grade, that school would receive more money because of the heavier weighting we give K-3 grade students. Unfortunately, on the Federal Comparability report it would simply show a non-Title I school receiving more funds than the Title I school and demand immediate correction. There is no place for explanation. In my example, it would mean that either the non-Title I school would have to de-equalize its K-3 program, or the Title I schools' expenditures in grades 4-6 would have to be heavily subsidized by the local school district to bring them in line with the higher average caused by the preponderance of K-3 students in the non-Title I school. Since local school districts have very few funds, they would probably be forced to de-equalize their K-3 program in the non-Title I school. This, of course, would place them in conflict with the State equalization law. Either way, it places local school districts in Florida in an awkward position.

I would now like to share with you some conflicts that will be forced upon local school districts in Florida, and it is my understanding in other states, in trying to use the second measure proposed by the U.S. Office of Education —pupil/staff ratios.

Since our state laws provide for funds to be equitably allocated to the individual schools and traceable to specific programs within a school, we feel that the best judges of the staffing pattern for that individual school would be the parents, teachers, and the principal of that school. However, the proposed regulations require that the pupil-instructional staff ratio of each Title I school not be more than 105% of the average number of children per instructional staff member in the non-Title I schools. For example, if a non-Title I school wanted to hire six (6) teachers and four (4) teacher aides rather than eight (8) teachers, but the Title I school of the same size wanted to spend all of its funds on the services of teachers, the local school district could find itself out of compliance. Therefore, it might have to ask the non-Title I school to hire eight (8) teachers and no (0) aides, or it might have to ask the Title I school to hire six (6) teachers and four (4) aides. Either way, it runs contrary to true "school based management" and true "parental involvement."

In summary, let me say that it is our opinion that the proposed Title I "Comparability of Services" regulations are based on the assumption that the only true commitment to the concept of equal educational opportunity for all children rests with inflexible regulations.

That assumption is simply *not true*. Many States probably have gone beyond proposals promoted by the U.S. Office of Education. Therefore, I think provisions

should be written into the Title I regulations for States that meet the following basic criteria to *negotiate* comparability requirements that will fit within the context of their own State's commitments to this goal.

The basic requirements which we propose are:

1. That the State adopt a statewide equalization program for at least 80% (or 90%) of all state and local operating funds.
2. That this equalization program must be applicable at the individual school level.
3. That dollars expended for each child's educational program become the measure of "Comparability of Services" provided parents are realistically involved in the decision making process.

We do not feel that the proposed flexibility based upon predetermined criteria for negotiations on an individual state basis is unreasonable. Therefore, if the proposed Title I "Comparability of Services" guides remain so rigid that a State can not use an alternative approach to reach the desired goal of equalization, then we will be forced to go to the courts to ask for relief.

Let me assure you, that we do *not* want to do that, but we honestly do need your help to avoid the necessity of taking this step.

I would like to state in closing that we do not wish to jeopardize our Title I funding that goes to help our educationally disadvantaged boys and girls learn to read and to work math. I fully recognize the importance of reading and mathematics, and I have made the mastery of these basic skills the *first priority* for our public schools in Florida. We very much appreciate the nearly seventy million dollars that the Congress has appropriated for our State to help us assist children in the Title I program. It is simply our hope that the implementation of equal educational opportunities for all children in Florida can be recognized as a current part of our overall state funding program. This will permit our Title I staff statewide to devote their energies to the primary purpose of Title I - helping educationally disadvantaged children master the basic skills—rather than spending an undue amount of time, energy and funds in trying to meet the "Comparability of Services" regulations that do not take into consideration the uniqueness of our school funding plan.

The objective of our proposed change is simply to seek relief from the restrictive regulations that penalize those state and local school districts that wish to fulfill the principle of equal educational opportunity by adhering to the law as passed by Congress and our own State legislative body. This is a much needed recognition and we urge its favorable consideration by Congress.

OTHER AREAS OF CONCERN

1. Maintenance of effort

There are specific problems arising from the existing language of the proposed regulation 134.21 *Maintenance of Expenditure from non-Federal Sources*. These problems arise from the lack of specificity and from the possibility of more than one interpretation being given to certain words. These problems could be alleviated by redrafting the regulation to specifically include the following:

1. Federal funds must be used to supplement and not supplant State and local funds.
2. The amount expended by the States, local school districts, and participating private schools derived from non-Federal sources for programs described in section 421(a) of the Act for a fiscal year will not be less than the amount so expended from the preceding fiscal year.
3. "Aggregate" amount is the sum of State and local expenditures for individual program purposes.

In addition to the problems arising from the existing language of the regulations, State, local school districts, and participating private schools face the crucial problem of maintaining local support in time of serious economic crisis. Congressional action will be required to change or amend the local effort requirement. However, an exception to the maintenance of effort requirement should be made.

The exception should provide that maintenance of effort could be interpreted as having been met when States, local school districts, and participating private schools have been forced to reduce all expenditures due to general economic conditions and program area resources are proportionately reduced.

2. A new look in State Educational Leadership

Education has come a long way since the one-room school house. Millions of children and adults daily receive instruction through the most comprehensive educational systems in the world. State education agencies (SEA) have played a major role in the educational transition. Education is the single, most-important function of state government today. The sophistication and increased capabilities of state education agencies reflect the importance of that responsibility. The federal government through various programs, most significantly Title V of the Elementary and Secondary Education Act, has done much to stimulate the growth of state educational agencies. The Congress, however, must recognize that SEAs have grown and developed dramatically during the past ten years. For SEAs to achieve their full potential in promoting growth and initiating needed change, Congress must accept the primary role of the state in education. The most important federal function in education has been to stimulate innovation and promote equal educational opportunity. Programs that have outlived their purpose or utility should be phased out. There are possibly several federal programs which have reached their maximum impact and effectiveness. Funds for these programs should be redirected into other, more critical, priority areas. New programs, more responsive and relevant to the educational needs of the public, should be developed and implemented. The day-to-day functioning of schools is a state and local responsibility. Congress must periodically review its own role as expressed in the principle of equality of educational opportunity to realize its greatest impact on the growth of education in America.

3. Flexibility for State Education Agencies

State and local leadership in education has grown considerably in recent years. State education agencies have assumed dynamic, complex roles in meeting the needs of its citizens differently. It is important that Congress realize the impact of the change in the educational processes. Categorical grants have rapidly proliferated. While meeting a specific need, grants of this type increasingly reflect the failure of Congress to accept the primary role of the state in education. Too often money allocated for state or locally administered federal education programs must revert back to the federal government because of inflexible federal requirements. Comparability provisions as expressed in Title I of P.L. 93-380 may result in arbitrary staffing patterns or limited funding because of their stringent requirements. Bloc grants, perhaps utilizing equalization as a basic criteria, are a possible alternative to the current system of federal grant-in-aids. States must be given the freedom to exercise discretion within the limits of broad national objectives while integrating federal programs into unique state educational systems.

4. "Quantitative Measures"

While attempting to initiate change in the educational processes at the state and local level, Congress has developed narrowly-defined, categorical programs. The very nature of these categorical programs necessitated that empirical or quantitative criteria be used to evaluate the success of affected educational programs. Quantitative measures, however, do not assure that quality education is being made available. Most federal education programs are "people oriented." Pupil/staff ratios, per-pupil expenditures, etc., do not necessarily reflect the adequacy or inadequacy of a given educational program because of their "people oriented" impact. The true "measure" of educational success or failure must be both quantitative and qualitative. Although qualitative evaluations are often subjective, they are a necessary and integral component of educational evaluation.

5. Evaluation requirements

Accompanying the proliferation of categorical grants have been an equally large number of evaluation requirements. These requirements are often needless and duplicative. Often these evaluation requirements are mandated with little visible support or flexibility necessary to facilitate Congressional intent. In Committee Report No. 93-805, the Committee on Education and Labor asserts that the "chaotic reporting situation [presently existing] is largely due to [the] Office of Education's own failure to describe to the states exactly what kinds of

data it needs from them, and why and to provide detailed timely feedback to the states on the quality and utilization of their evaluation and fiscal reports." The Committee further cites Title I, ESEA as a primary example of USOE's failure "to obtain useful and current [evaluation] information from the States." Congress must insure that grant conditions and evaluation requirements are made more relevant, flexible and general to meet the current and future needs of education and the people that it serves.

6. Principle of State involvement

Congress must recognize the context of federal, state and local roles in education. Where federal and state roles meet, each level of government must assume a "partnership" perspective. Both state and local education agencies should be viewed in terms of cooperation by Congress and responsible executive agencies, i.e. the USOE, NIE, etc. Too often in the past, an adversary relationship has been the rule, rather than the exception. The concept of state-federal-local partnership should be emphasized and enforced by Congress at every opportunity. State education agencies, as the primary responsible agency for education, should be involved and participate in all levels and phases of the federal government, including: (1) all phases of the legislative process; (2) the development and promulgation of rules, regulations and guidelines; and (3) the ongoing and continuous administration of federal education programs. Only when the "partnership" concept pervades all aspects of the federal-state relationship can the true impact of their combined effort be felt and appreciated.

7. Advisory councils

Congress, as well as state education agencies, has long realized the importance of parental and lay involvement in the educational process. Both state and local education agencies have accepted and emphasized the concept of parent/community/professional involvement. However, advisory committee requirements have proliferated as one condition for the approval of categorical grants. To cope with the growing profusion of advisory council requirements, Florida has specifically assigned an executive assistant to coordinate our federal advisory council activities. Just keeping track of the appointments requires close to 15 percent of his time. Notwithstanding their value and function, advisory councils and committees are often duplicative or exist in relative ignorance of other important facets of their educational environment. Opportunities to blend or integrate programs into state or local ongoing programs are sometimes missed simply because advisory councils exhibit a limited perspective or concept of the total educational system. Congress can and should assume the responsibility for keeping track of the large number of advisory councils and committees which it authorizes, and reviewing their effectiveness on a periodic basis. Although advisory councils perform an invaluable role in promoting parental participation, it is entirely possible to have "too much of a good thing." Congress must be reasonable in limiting the number of advisory councils, as well as reporting requirements.

8. "Hold harmless"

The principle, intent, and equity of the "hold-harmless" concept should be re-evaluated in light of the rapidly changing demands of a technological and mobile society.

The equity of the hold-harmless concept must be measured in terms of the clients served. Ineligible participants due to changes in grant formulas should be phased out through decreasing allocation floors. The concept of "hold-harmless" has serious implications for rapidly growing states such as Florida. When funding levels here held-harmless, states with eligible clients receive considerably lower "per-client" allotments than states without the necessary number of eligible clients. For example, congressional policy designed to aid disadvantaged children may suffer because funds are not allocated entirely on the basis of need, as demonstrated by the actual number of eligible clients for each state. The hold-harmless concept should be a factor to facilitate, not obstruct or delay, change in congressional intent.

9. The impact of Federal involvement

It is difficult to minimize the impact of federal involvement. But from a state perspective the impact of federal authority has far exceeded their relative share

of the total educational expenditures. Federal aid has prompted innovative programs in virtually every area of education despite limited funding. The federal government, and especially Congress, can and must continue to perform an important function for education, but equally important there must be a more equitable balance between the available funds and the regulatory authority imposed on state and local educational systems. The maintenance of existing educational programs is necessarily a state and local function. Therefore, federal programs must reflect the unique conditions of each state and locality, as well as continue to address national concerns and objectives and provide new avenues of educational development. Most importantly, federal regulation should and must not supersede the authority legally vested to the states to administer and operate education programs.

We are taking the liberty of attaching more detailed information to support several of the concerns stated above.

Mr. LEHMANN. Mr. Costa, Nevada Department of Education. If you would limit your presentation to 10 minutes, then we would have time for the questions. Your statement will be made part of the record.

STATEMENT OF JAMES P. COSTA, FEDERAL LIAISON AND PROGRAM ADMINISTRATION, NEVADA DEPARTMENT OF EDUCATION

Mr. COSTA. Thank you, Mr. Chairman and members of the subcommittee. I thank you for this opportunity to appear before you today, and present our comments.

On behalf of the State of Nevada and all the States experiencing difficulty implementing Public Law 93-380, I express appreciation for the opportunity to present our problems for your information and consideration.

My major task today is to thoroughly acquaint you with the problems created by the allocation formula in Title IV, Public Law 93-380, Consolidation of Certain Education Programs, and to propose alternatives to extant conditions.

Both the House bill (H.R. 69), and the Senate bill (S. 1539), contained provisions for consolidating certain education programs in the interest of simplifying and making more efficient their administration and management.

The consolidation agreed upon in conference was that proposed by the House. It was conditioned on a guarantee that the same aggregate amount of funds would be provided for the consolidation as would be provided for the separate categorical programs and that appropriations be made in the fiscal year prior to the fiscal year of use.

There was never any expression of intent on the part of the Congress to use the consolidation to cause a redistribution of funds among the States.

Because each of the five aid-to-States programs had different purposes, approaches, and allocation formulas, and because, even with consolidation, the Congress wanted to retain the uniqueness of each, the task of consolidation was compounded.

When the allocation formula was developed, it was based on the number of children aged 5 to 17, inclusive, in each of the States. The extant categorical formulas are compared in appendix I with the formula in section 402(a)(2) of title IV.

It is obvious that none of them is exactly like the consolidation formula, and to make matters worse, the "floors" have been removed from the two programs consolidated in part C.

"Floors" are used to guarantee that there will be adequate funding to give reasonable assurance of success for a minimum program in every State. When the "floors" are removed and allocations are made solely on a ratio of population, the smaller States cannot be assured of even a minimum program.

The State of Nevada, for example, with 0.26 percent of the Nation's population, receives \$2,600 of each \$1 million of appropriation. It would take a \$100 million appropriation to assure Nevada of \$260,000.

In fiscal year 1974, the base year for fiscal year 1976 consolidation appropriations, only one of the seven consolidated programs was \$100 million or greater.

The example works similarly for the 18 States and the District of Columbia which have less than 1 percent of the Nation's population aged 5 to 17, inclusive, and to a lesser degree for the 15 States between 1 percent and 2 percent.

The effect of applying the formulas in section 401(c)(1) and section 402(a)(2) is illustrated for fiscal year 1976 in tables 1 and 2 and in section 402(a)(2), for fiscal year 1977 in tables 3 and 4.

The dramatic shifts of dollars do not occur in fiscal year 1976 because the 50 percent consolidation permits half the dollars to be allotted on the basis of the categorical formulas. The allotments per title IV are compared with the categorical allotments for fiscal year 1974 since that is the base year for "triggering" the consolidation.

In each of the tables the first column represents the allotment per formula in title IV, Public Law 93-380. The second column, the fiscal year 1974 allotment; and the third column, the negative difference, or loss to given States.

A review of the losses in each of the tables indicates that they are not limited to the same States each time. Due to the uniqueness of the categorical formulas used in fiscal year 1974, the move off them will affect states differently.

Nevertheless, these are real dollar losses even though the aggregate amount of funding is equal to that of fiscal year 1974.

Tables attached as appendix II and appendix III are from the U.S. Office of Education and provide an analysis and comparison with fiscal year 1975 allotments. Fiscal year 1975 is considered an inadequate comparison because the appropriation for ESEA title III was \$26 million less than that in fiscal year 1974. These tables are attached as supportive documents to my complete testimony.

The tables in appendixes II and III have been translated into an action plan for Nevada in table 5. The fiscal year 1976 part B allotment is larger mainly because of moving in the guidance and testing, title III amount from part C. The part C allotment is only slightly smaller, but obviously, title V activities will need to tap some of the consolidation to sustain programs and projects.

Overall, the figures show Nevada actually gains in fiscal year 1976, but only if the Commissioner's share of title III, section 306, is not included in the State receipts for prior years.

In fiscal year 1977, the State has taken the maximum allowed for administration out of part B because part C is actually \$20,000 short of meeting the allowed set-aside for title V at fiscal year 1973 levels.

The losses to program are obvious and dramatic. The ultimate effect will be to terminate innovative programs and reduce support

for libraries and materials, equipment, and guidance and testing at the local levels.

This will create layoff conditions for some teachers and aides at the local level, and consultants and clerical staff at the State level. It is difficult to surmise how other States in similar conditions will react, but it would be logical to assume some comparable action.

The following are several alternatives:

(1) The Congress can do nothing, in which case the ultimate effect of program reductions and terminations and staff layoffs will undoubtedly prevail.

(2) The Congress can allow the formula to work as described in section 401 and section 402, but insert language in either the substantive or the appropriation legislation raising those States falling below the fiscal year 1974 level (the base year) in any fiscal year after fiscal year 1975 to the fiscal year 1974 level and appropriating the funds therefor. The amount of supplemental funding required to accomplish this can be determined from the third column in each of tables 1, 2, 3, and 4, as follows: The sum of \$1.9 million for part B in 1976, \$2 million for part C in 1976, \$2.2 million for part B in 1977, and \$9.3 million for part C in 1977.

This would be a total of \$14 million over the 2-year period.

(3) The Congress can allow the formula to work as it exists and increase the authorizations and appropriation to assure the 1974 level for all States. This would cost an estimated \$364,297,692 for part C alone. Besides all the shortcomings of this alternative, the cost alone makes it highly undesirable.

(4) The Congress can amend the part C allotment formula to provide an equal base distribution with the remainder apportioned on the ratio of children aged 5 through 17, inclusive. In this case, the allotments would be listed as in table 6, and would require no additional funding for part C. Part B cannot be calculated in this manner without additional funding.

(5) The Congress can permit a "hold harmless" at fiscal year 1974 levels with a pro rata share of remainders, in which case the amounts would be as listed in table 7 and require no additional funding.

(6) The Congress can delay appropriations for fiscal year 1977, thereby causing the "trigger" to fail and throwing programs back into a categorical mode. This also would require no additional funding, but it would not help those States experiencing losses in fiscal year 1976.

(7) The Congress can appropriate \$1 less than the amount required to "trigger" the consolidation, again reverting to the categorical mode. This would require no additional funding, and again, would not help those States losing in fiscal year 1976.

A survey has been conducted of all the States soliciting their comments with respect to this problem. As of May 30, 1975, responses had been received from 41 of the chief State school officers.

The 17 major loss States naturally favor retaining the fiscal year 1974 levels. Eight States experiencing minor losses in part C for fiscal year 1977, but gaining in part B expressed support for the fiscal year 1974 level as a minimum for all States.

Twelve States experiencing losses in part B for fiscal year 1977 but gaining in part C expressed support for the fiscal year 1974 level as a minimum for all States.

Of the remaining States, one expressed a neutral position, two indicated a lack of desire to give up the increased funding (both urging a supplemental appropriation), and another was agreeable to any action that would prevent any State from receiving less than the fiscal year 1974 level.

Of all the alternatives presented, alternative 2 appeared to have overwhelming support, and we are informed that a great majority of Congressmen have been so advised by the respective States.

Mr. LEHMAN. Do you think that you can conclude within a few minutes, so that we can get to everybody?

Mr. COSTA. The administrative requirements on the States have not been lessened in spite of the spirit of the consolidation and the single application. The act demands that annual program plans be developed for each separate program and that the local education agency applications be permitted to address the separate programs. Advisory councils are still required, and technical assistance, evaluation, and reporting requirements are increased.

Administrative support under categorical title II was 5 percent or \$50,000, and for ESEA title II, 7.5 percent or \$150,000. The new title IV permits 5 percent or \$225,000, which provision will cause losses to some of the larger States as indicated in table A-4, appendix III. The losses expressed are, in the aggregate, actually \$1 million less than administrative losses in fiscal year 1974.

The one alternative is that the Congress can amend the substantive language to permit administrative costs at 7.5 percent, or \$225,000, whichever is greater.

This statement does not directly address the specific problems and recommendations contained in the testimony of my distinguished panel colleagues. I have complete knowledge of the statements made by them, the statements have been considered by the State of Nevada, and the State concurs with the positions presented to you today.

Mr. LEHMAN. Thank you very much for your testimony.
[Prepared statement of James P. Costa follows.]

PREPARED STATEMENT OF JAMES P. COSTA, FEDERAL LIAISON AND PROGRAM ADMINISTRATION, NEVADA DEPARTMENT OF EDUCATION

Mr. Chairman and members of the Subcommittee, on behalf of the State of Nevada and all the states experiencing difficulty implementing P.L. 93-380, I express appreciation for the opportunity to present our problems for your information and consideration.

My major task today is to thoroughly acquaint you with the problems created by the allocation formula in Title IV, P.L. 93-380, Consolidation of Certain Education Programs, and to propose alternatives of extant conditions.

Both the House (HR 69) and the Senate (S.B. 1530) bills contained provisions for consolidating certain education programs in the interest of simplifying and making more efficient their administration and management. The consolidation agreed upon in Conference was that proposed by the House. It was conditioned on a guarantee that the same aggregate amount of funds would be provided for the consolidation as would be provided for the separate categorical programs and that appropriations be made in the fiscal year prior to the fiscal year of use. There was never any expression of an intent on the part of the Congress to use the consolidation to cause a redistribution of funds among the states.

PROBLEM

Because each of the five aid-to-states programs had different purposes, approaches and allocation formulas, and because, even with consolidation, the Congress wanted to retain the uniqueness of each, the task of consolidation was compounded.

When the allocation formula was developed it was based solely on the number of children aged five to seventeen, inclusive, in each of the states. The extant categorical formulas are compared in Appendix I with the formula in Section 402(a)(2) of Title IV. It is obvious that none of them is exactly like the consolidation formula, and to make matters worse, the "floors" have been removed from the two programs consolidated in Part C. "Floors" are used to guarantee that there will be adequate funding to give reasonable assurance of success for a minimum program in every state. When the "floors" are removed and allocations are made solely on a ratio of population the smaller states can not be assured of even a minimum program. The state of Nevada, for example, with .26% of the nation's population, receives \$2,600 of each \$1,000,000 of appropriation. It would take a \$100,000,000 appropriation to assure Nevada of \$260,000. In Fiscal Year 1974, the base year for FY 76 consolidation appropriations, only one of the seven consolidated programs was \$100,000,000 or greater. The example works similarly for the 18 states and the District of Columbia which have less than 1% of the nation's population aged 5-17, inclusive, and to a lesser degree for the 15 states between 1% and 2%.

The effect of applying the formulas in Section 401(c)(1) and Section 402(a)(2) is illustrated for Fiscal Year 1976 in Tables 1 and 2 and in Section 402(a)(2) for Fiscal Year 1977 in Tables 3 and 4. The dramatic shifts of dollars do not occur in Fiscal 1976 because the 50% consolidation permits half the dollars to be allotted on the basis of the categorical formulas. The allotments per Title IV are compared with the categorical allotments for Fiscal Year 1974 since that is the base year for "triggering" the consolidation.

In each of the tables the first column represents the allotment per formula in Title IV, P.L. 93-380; the second column, the FY 74 allotment; and the third column, the negative difference, or loss to given states. A review of the losses in each of the tables indicates that they are not limited to the same states each time. Due to the uniqueness of the categorical formulas used in FY 74, the move off them will affect states differently. Nevertheless, these are real dollar losses even though the aggregate amount of funding is equal to that of FY 74.

Tables attached as Appendix II and Appendix III are from the U.S. Office of Education and provide an analysis and comparison with Fiscal Year 1975 allotments. Fiscal Year 1975 is considered an inadequate comparison because the appropriation for ESEA Title III was \$26,000,000 less than that in FY 74. These tables are attached as supportive documents.

The tables in Appendix II and III have been translated into an action plan for Nevada in Table 5. The FY 76 Part B allotment is larger mainly because of moving in the guidance and testing, Title III amount from Part C. The Part C allotment is only slightly smaller, but obviously Title V activities will need to tap some of the consolidation to sustain programs and projects. Overall, the figures show Nevada actually gains in FY 76 but only if the Commissioner's share of Title III, Section 306 is not included in state receipts for prior years.

In FY 77 the state has taken the maximum allowed for administration out of Part B because Part C is actually \$20,000 short of meeting the allowed set-aside for Title V at FY 73 levels. The losses to programs are obvious and dramatic. The ultimate effect will be to terminate innovative programs and reduce support for libraries and materials, equipment, and guidance and testing at the local levels. This will create lay-off conditions for some teachers and aides at the local level and consultants and clerical staff at the state level. It is difficult to surmise how other states in similar conditions will react, but it would be logical to assume some comparable action.

ALTERNATIVES

(1) The Congress can do nothing, in which case the ultimate effect of program reductions and terminations and staff lay-offs will undoubtedly prevail.

(2) The Congress can allow the formula to work as described in Section 401 and Section 402, but insert language in either the substantive or the appropriation legislation raising those states falling below the FY 74 level (the base year)

in any fiscal year after FY 75 to the FY 74 level and appropriating the funds therefor. The amount of supplemental funding required to accomplish this can be determined from the third column in each of tables 1, 2, 3 and 4 as follows:

Table 1, part B, fiscal year 1976	\$1,979,020
Table 2, part C, fiscal year 1976	2,014,886
Table 3, part B, fiscal year 1977	2,266,952
Table 4, part C, fiscal year 1977	9,366,900
	14,627,758

(3) The Congress can allow the formula to work as it exists and increase the authorizations and appropriations to assure the FY 74 level for all states. This would cost an estimated \$364,297,002 for Part C alone. Besides all the other shortcomings of this alternative, the cost alone makes it highly undesirable.

(4) The Congress can amend the Part C allotment formula to provide an equal base distribution with the remainder apportioned on the ratio of children aged 5-17, inclusive. In this case the allotments would be as listed in Table 6, and would require no additional funding for Part C. Part B cannot be calculated in this manner without additional funding.

(5) The Congress can permit a "hold harmless" at FY 74 levels with a pro-rata share of remainders, in which case the amounts would be as listed in Table 7 and require no additional funding.

(6) The Congress can delay appropriations for FY 77 thereby causing the "trigger" to fail and throwing programs back into a categorical mode. This also would require no additional funding, but it would not help those states experiencing losses in FY 76.

(7) The Congress can appropriate \$1 less than the amount required to "trigger" the consolidation, again reverting to the categorical mode. This would require no additional funding, and again, would not help those states losing in FY 76.

A survey has been conducted of all the states soliciting their comments with respect to this problem. As of May 30, 1975, responses had been received from 41 of the chief state school officers. The seventeen major loss states naturally favor retaining the FY 74 levels. Eight states experiencing minor losses in Part C for FY 77 but gaining in Part B expressed support for the FY 74 level as a minimum for all states. Twelve states experiencing losses in Part B for FY 77 but gaining in Part C expressed support for the FY 74 level as a minimum for all states. Of the remaining states, one expressed a neutral position, two indicated a lack of desire to give up the increased funding (both urging a supplemental appropriation), and another was agreeable to any action that would prevent any state from receiving less than the FY 74 level.

Of all the alternatives presented, alternative 2 appeared to have overwhelming support, and we are informed that a great majority of Congressmen have been so advised by the respective states.

PROBLEM

The administrative requirements on the states have not been lessened in spite of the spirit of the consolidation and the single application. The Act demands that annual program plans be developed for each separate program and that the local education agency applications be permitted to address the separate programs. Advisory councils are still required; technical assistance, evaluation and reporting requirements are increased.

Administrative support under categorical Title II was 5% or \$50,000, and for ESEA Title III, 7½% or \$150,000. The new Title IV permits 5% or \$225,000, which provision will cause losses to some of the larger states as indicated in Table A-4, Appendix III. The losses expressed are, in the aggregate, actually \$1,000,000 less than administrative losses in Fiscal Year 1974.

ALTERNATIVE

(1) The Congress can amend the substantive language to permit administrative costs at 7½% or \$225,000, whichever is greater.

This statement does not directly address the specific problems and recommendations contained in the testimony of my distinguished panel colleagues. I have complete knowledge of the statements made by them, the statements have been considered by the state of Nevada, and the state concurs with the positions presented to you today.

TABLE I.--DISTRIBUTION OF FUNDS UNDER PUBLIC LAW 89-10, AS AMENDED BY PUBLIC LAW 93-380, TITLE IV
PT. B, LIBRARIES AND LEARNING RESOURCES FISCAL YEAR 1976

		Fiscal year 1974 State amounts ¹	Allotments ²	Negative difference
United States and outlying areas		\$137,330,000	\$137,330,000	
50 States, District of Columbia, and Puerto Rico		135,834,172	136,726,231	\$1,979,020
Alabama	2,339,205	2,371,922	32,717	
Alaska	250,818	234,120	0	
Arizona	1,424,113	1,290,532	0	
Arkansas	1,301,669	1,302,466	797	
California	12,556,971	12,523,335	0	
Colorado	1,608,365	1,546,555	0	
Connecticut	1,949,787	1,890,468	0	
Delaware	396,667	390,173	0	
Florida	4,403,497	4,156,907	0	
Georgia	3,144,880	3,099,193	0	
Hawaii	547,061	541,501	0	
Idaho	543,278	528,603	0	
Illinois	7,112,491	7,157,179	44,688	
Indiana	3,485,011	3,535,622	50,611	
Iowa	1,863,613	1,907,360	43,747	
Kansas	1,365,042	1,424,644	59,602	
Kentucky	2,150,299	2,179,836	29,537	
Louisiana	2,686,649	2,721,652	35,063	
Maine	707,713	713,576	6,403	
Maryland	2,676,362	2,665,542	0	
Massachusetts	3,606,859	3,557,682	0	
Michigan	6,186,270	6,294,069	107,799	
Minnesota	2,659,822	2,728,758	68,936	
Mississippi	1,642,403	1,571,316	0	
Missouri	2,973,213	3,078,474	105,261	
Montana	512,205	518,496	6,291	
Nebraska	986,873	984,402	0	
Nevada	369,743	340,495	0	
New Hampshire	532,849	511,762	0	
New Jersey	4,521,454	4,497,995	0	
New Mexico	828,198	828,044	0	
New York	10,283,688	10,659,466	0	
North Carolina	3,345,702	3,335,810	0	
North Dakota	436,953	448,469	11,516	
Ohio	7,044,168	7,234,947	190,779	
Oklahoma	1,642,470	1,675,504	33,034	
Oregon	1,360,213	1,334,065	0	
Pennsylvania	7,313,595	7,509,828	196,233	
Rhode Island	591,999	591,795	0	
South Carolina	1,849,041	1,862,652	13,611	
South Dakota	475,743	489,721	13,978	
Tennessee	2,572,743	2,580,440	7,697	
Texas	7,801,883	7,815,727	13,844	
Utah	843,256	837,796	0	
Vermont	326,157	323,852	0	
Virginia	3,081,125	3,038,673	0	
Washington	2,179,843	2,203,983	24,140	
West Virginia	1,129,343	1,139,707	10,364	
Wisconsin	3,090,423	3,175,375	84,952	
Wyoming	247,648	246,842	0	
District of Columbia	410,468	406,489	0	
Puerto Rico	1,934,871	2,722,351	787,480	
Outlying areas	1,495,828	603,769	-----	

¹ Distribution of funds under provisions of sec. 401(c)(1), as in State listing (budget office division), Feb. 5, 1975.
² Grant allotment totals for fiscal year 1974.

TABLE 2.—DISTRIBUTION OF FUNDS UNDER PUBLIC LAW 89-10, AS AMENDED BY PUBLIC LAW 93-380, TITLE IV, PT. C, EDUCATIONAL INNOVATION AND SUPPORT: FISCAL YEAR 1976

	State amounts ¹	Fiscal year 1974 allotments ²	Negative difference
United States and outlying areas	\$168,952,375	\$165,029,250	
50 States, District of Columbia and Puerto Rico	167,271,410	163,527,468	\$2,014,886
Alabama	2,903,412	2,805,134	0
Alaska	733,014	840,537	107,523
Arizona	1,925,516	1,780,688	0
Arkansas	1,830,010	1,829,993	0
California	14,020,378	13,369,828	0
Colorado	2,153,263	2,038,058	0
Connecticut	2,523,532	2,475,893	0
Delaware	878,251	986,657	108,401
Florida	5,213,364	4,750,879	0
Georgia	3,780,898	3,555,592	0
Hawaii	1,047,673	1,120,125	72,452
Idaho	1,026,840	1,101,332	74,492
Illinois	7,947,805	7,572,786	0
Indiana	4,101,135	3,955,258	0
Iowa	2,415,507	2,389,570	0
Kansas	1,939,426	2,006,697	67,271
Kentucky	2,710,786	2,621,900	0
Louisiana	3,185,435	2,991,487	0
Maine	1,188,006	1,260,015	72,099
Maryland	3,273,927	3,099,007	0
Massachusetts	4,258,254	4,102,189	0
Michigan	6,845,227	6,533,286	0
Minnesota	3,204,387	3,074,900	0
Mississippi	2,136,807	2,070,803	0
Missouri	3,594,490	3,507,874	0
Montana	997,205	1,090,050	92,845
Nebraska	1,502,657	1,551,741	49,284
Nevada	857,935	947,174	89,239
New Hampshire	1,016,229	1,088,720	72,491
New Jersey	5,289,554	5,062,725	0
New Mexico	1,304,711	1,331,560	26,849
New York	12,132,324	11,739,991	0
North Carolina	3,999,809	3,835,042	0
North Dakota	927,398	1,034,899	107,501
Ohio	7,774,074	7,522,814	0
Oklahoma	2,195,683	2,207,641	11,958
Oregon	1,915,721	1,918,024	2,303
Pennsylvania	8,114,073	7,929,630	0
Rhode Island	1,091,383	1,190,463	99,080
South Carolina	2,381,203	2,303,685	0
South Dakota	957,654	1,067,905	110,251
Tennessee	3,168,822	3,050,981	0
Texas	8,586,199	8,027,890	0
Utah	1,323,732	1,354,337	30,605
Vermont	798,549	915,881	117,332
Virginia	3,713,306	3,537,542	0
Washington	2,763,343	2,743,230	0
West Virginia	1,641,217	1,740,292	63,075
Wisconsin	3,632,561	3,444,918	0
Wyoming	723,753	853,161	129,408
District of Columbia	912,548	1,060,411	147,863
Puerto Rico	2,709,424	3,072,183	362,759
Outlying areas	1,680,965	1,501,782	

¹ Distribution of funds under provisions of sec. 401(c)(2) as in State listing (budget office/division), Feb. 5, 1975.² Grant allotment totals for fiscal year 1974.

TABLE 3.—DISTRIBUTION OF FUNDS UNDER PUBLIC LAW 89-10, TITLE IV, PT. B, LIBRARIES AND LEARNING RESOURCES: FISCAL YEAR 1977

	State amounts ¹	Fiscal year 1974 allotments ²	Negative difference
United States and outlying areas	\$137,330,000	\$137,330,000	
50 States, District of Columbia and Puerto Rico	135,970,297	136,726,231	\$2,266,952
Alabama	2,340,573	2,371,922	31,349
Alaska	246,786	234,120	0
Arizona	1,382,003	1,290,532	0
Arkansas	1,288,484	1,302,466	13,982

See footnotes at end of table.

TABLE 2.—DISTRIBUTION OF FUNDS UNDER PUBLIC LAW 89-10, TITLE IV, PT. B, LIBRARIES AND LEARNING RESOURCES FISCAL YEAR 1977—Continued

		Fiscal year 1974 allotments ¹	Negative difference
	State amounts ¹		
California	12,697,802	12,523,335	0
Colorado	1,600,214	1,546,555	0
Connecticut	1,956,106	1,890,468	0
Delaware	381,869	390,173	8,304
Florida	4,455,141	4,156,907	0
Georgia	3,179,646	3,099,193	0
Hawaii	545,527	541,501	0
Idaho	524,745	528,603	3,858
Illinois	7,149,007	7,157,179	8,172
Indiana	3,480,985	3,535,622	54,637
Iowa	1,859,989	1,907,360	47,371
Kansas	1,392,394	1,424,644	32,250
Kentucky	2,145,741	2,179,836	34,095
Louisiana	2,647,107	2,721,652	74,545
Maine	675,415	713,576	38,161
Maryland	2,693,867	2,665,542	0
Massachusetts	3,613,470	3,557,682	0
Michigan	6,143,678	6,294,069	150,391
Minnesota	2,634,118	2,728,758	94,640
Mississippi	1,615,800	1,571,316	0
Missouri	2,971,826	3,078,474	106,648
Montana	498,768	518,496	19,728
Nebraska	981,949	984,402	2,453
Nevada	358,489	340,495	0
New Hampshire	514,354	511,762	0
New Jersey	4,623,995	4,497,995	0
New Mexico	802,705	828,044	25,339
New York	11,004,068 ²	10,659,486	0
North Carolina	3,364,086	3,335,850	0
North Dakota	433,824	448,469	14,645
Ohio	6,977,556	7,234,947	257,391
Oklahoma	1,618,398	1,675,504	57,106
Oregon	1,363,819	1,334,065	0
Pennsylvania	7,258,113	7,509,828	251,715
Rhode Island	581,896	591,795	9,899
South Carolina	1,836,609	1,862,652	26,043
South Dakota	459,802	489,721	29,919
Tennessee	2,561,381	2,580,440	19,059
Texas	7,710,121	7,815,727	105,606
Utah	813,096	837,796	24,700
Vermont	303,937	323,852	19,915
Virginia	3,091,322	3,038,673	0
Washington	2,174,317	2,203,983	29,666
West Virginia	1,096,250	1,139,707	43,457
Wisconsin	3,060,149	3,175,375	115,226
Wyoming	231,200	246,842	15,642
District of Columbia	402,651	406,489	3,838
Puerto Rico	2,225,149	2,722,351	497,202
Outlying areas	1,359,703	603,769	

¹ Distribution of funds under provisions of sec. 402(a)(2) as in State listing (budget office request Jan. 31, 1975).

² Grant allotment totals for fiscal year 1974.

TABLE 4.—DISTRIBUTION OF FUNDS UNDER PUBLIC LAW 89-10, TITLE IV, PT. C, EDUCATIONAL INNOVATION AND SUPPORT: FISCAL YEAR 1977

		Fiscal year 1974 allotments ²	Negative difference
	State amounts ¹		
United States and outlying-areas	\$172,888,000	\$165,029,250	
50 States, District of Columbia and Puerto Rico	171,176,238	163,527,468	\$9,366,900
Alabama	2,946,602	2,805,134	0
Alaska	310,685	840,537	529,852
Arizona	1,739,836	1,780,688	40,852
Arkansas	1,622,103	1,629,993	207,890
California	15,985,562	13,369,828	0
Colorado	2,014,547	2,038,058	23,511
Connecticut	2,462,588	2,475,893	13,305
Delaware	480,744	986,657	505,913
Florida	5,608,683	4,750,879	0
Georgia	4,002,932	3,559,592	0
Hawaii	686,777	1,120,125	433,348
Idaho	660,615	1,101,332	440,717

See footnotes at end of table.

TABLE 4.—DISTRIBUTION OF FUNDS UNDER PUBLIC LAW 89-10, TITLE IV, PT. C, EDUCATIONAL INNOVATION AND SUPPORT: FISCAL YEAR 1977—Continued

	State amounts ¹	Fiscal year 1974 allotments ²	Negative difference
Illinois	9,000,055	7,672,786	0
Indiana	4,382,294	3,955,528	0
Iowa	2,341,584	2,389,570	47,936
Kansas	1,752,918	2,006,697	253,779
Kentucky	2,701,325	2,621,900	0
Louisiana	3,332,506	2,991,487	0
Maine	850,296	1,260,105	409,809
Maryland	3,391,373	3,099,007	0
Massachusetts	4,549,083	4,102,189	0
Michigan	7,734,423	6,533,286	0
Minnesota	3,316,154	3,074,300	0
Mississippi	2,034,169	2,070,803	36,634
Missouri	3,714,302	3,507,874	0
Montana	627,911	1,090,050	462,139
Nebraska	1,236,199	1,551,741	315,542
Nevada	451,311	947,174	495,863
New Hampshire	647,533	1,088,720	441,187
New Jersey	5,821,257	5,082,725	0
New Mexico	1,010,544	1,331,560	321,016
New York	13,853,283	11,739,991	0
North Carolina	4,235,128	3,835,042	0
North Dakota	546,152	1,034,899	488,747
Ohio	8,784,211	7,522,814	0
Oklahoma	2,037,440	2,207,641	170,201
Oregon	1,716,944	1,918,024	201,080
Pennsylvania	9,137,411	7,929,630	0
Rhode Island	732,563	1,190,463	457,900
South Carolina	2,312,151	2,303,685	0
South Dakota	578,855	1,067,905	489,050
Tennessee	3,224,584	3,050,981	0
Texas	9,706,455	8,027,890	0
Utah	1,023,625	1,354,337	330,712
Vermont	382,633	915,881	533,248
Virginia	3,891,739	3,537,542	0
Washington	2,737,299	2,743,230	5,931
West Virginia	1,380,096	1,704,292	324,196
Wisconsin	3,852,495	3,444,918	0
Wyoming	291,063	853,161	562,098
District of Columbia	506,907	1,060,411	553,504
Puerto Rico	2,801,293	3,072,183	270,890
Outlying areas	1,711,762	1,501,782	

¹ Distribution of funds under provisions of sec. 402(a)(2) as in State listing (budget office) Jan. 31, 1975.

² Grant allotment totals for fiscal year 1974.

TABLE 5.—NEVADA DEPARTMENT OF EDUCATION, ESTIMATED FISCAL YEAR 1976-77 ALLOCATIONS COMPARED WITH FISCAL YEAR 1974—TITLE IV, PTS. B AND C, PUBLIC LAW 93-380

Program	Fiscal year—					
	1974		1975		1976 (estimate)	
	State administrations	Programs/projects	State administrations	Programs/projects	State administrations	Programs/projects
ESEA H	30,000	200,488	30,000	225,119	15,000	108,078
NDEA III	13,333	54,435	13,333	41,886	6,666	28,991
ESEA III (G, C and T)	NA	NA	NA	NA	21,667	25,096
Pt. B consolidation	NA	NA	NA	NA	164,245	225,000
Total pt. B type programs	43,333	254,233	43,333	267,005	43,333	326,410
	298,256		310,338		369,743	358,489
ESEA III	150,000	414,867	150,000	379,768	150,000	307,010
ESEA V	0	351,334	0	351,334	0	175,270
807 and 808	0	0	NA	NA	NA	NA
Pt. C consolidation	NA	NA	NA	NA	75,000	225,655
Total pt. C type programs	150,000	766,201	150,000	731,102	150,000	707,935
	916,201		881,102		857,935	451,311
Total pts. B and C type programs	193,333	1,021,124	193,333	998,107	193,333	1,034,345
	1,214,457		1,191,440		1,227,678	809,800

TABLE 6.—EQUAL BASE DISTRIBUTION

	Percentages 5 to 17	Pt. C, title
Alabama.....	1.72	3,006,261
Alaska.....	.18	845,680
Arizona.....	1.01	2,009,872
Arkansas.....	.95	1,925,671
California.....	9.34	13,698,896
Colorado.....	1.18	2,248,444
Connecticut.....	1.44	2,613,419
Delaware.....	.28	985,411
Florida.....	3.28	5,195,509
Georgia.....	2.34	3,876,346
Hawaii.....	.40	1,153,820
Idaho.....	.39	1,139,786
Illinois.....	5.26	7,974,171
Indiana.....	2.56	4,185,087
Iowa.....	1.36	2,501,050
Kansas.....	1.02	2,023,906
Kentucky.....	1.58	2,809,790
Louisiana.....	1.95	3,329,034
Maine.....	.50	1,294,156
Maryland.....	1.98	3,371,135
Massachusetts.....	2.66	4,325,424
Michigan.....	4.52	6,935,681
Minnesota.....	1.94	3,315,001
Mississippi.....	1.19	2,262,478
Missouri.....	2.19	3,665,842
Montana.....	.37	1,111,719
Nebraska.....	.72	1,602,896
Nevada.....	.26	957,348
New Hampshire.....	.38	1,125,753
New Jersey.....	3.40	5,363,913
New Mexico.....	.59	1,420,459
New York.....	8.09	11,945,690
North Carolina.....	2.47	4,058,784
North Dakota.....	.32	1,041,551
Ohio.....	5.13	7,791,734
Oklahoma.....	1.19	2,262,478
Oregon.....	1.00	1,995,839
Pennsylvania.....	5.34	8,086,440
Rhode Island.....	.43	1,195,924
South Carolina.....	1.35	2,487,015
South Dakota.....	.34	1,069,618
Tennessee.....	1.88	3,230,799
Texas.....	5.67	8,549,549
Utah.....	.60	1,434,033
Vermont.....	.22	901,214
Virginia.....	2.27	3,778,111
Washington.....	1.60	2,837,857
West Virginia.....	.81	1,729,199
Wisconsin.....	2.25	3,750,044
Wyoming.....	.17	831,046
District of Columbia.....	.30	1,013,483
Puerto Rico.....	1.64	2,893,992
Subtotal.....		171,159,120
Outlying areas.....		1,728,880
Total.....	100.01	172,888,000

Note: Basis for calculations—1 percent (\$1,728,880) reserved for outlying areas; 18 percent of remainder (\$30,808,642) divided equally among States, District of Columbia and Puerto Rico; balance (\$140,350,478) per ratio of children aged 5 to 17.

TABLE 7.—WORKSHEET ON PROPOSAL FOR A HOLD HARMLESS AT FISCAL YEAR 1974 LEVELS

	Pt. B	Need to match fiscal year 1974			Pt. C	
	Need to match fiscal year 1974	Share of G, C, and T	Total pt. B%	1974 less G, C, and T	Share of distribution	Total pt. C
Alabama	2,051,730	320,192	2,371,922	2,805,134	133,818	2,938,952
Alaska	206,083	28,037	234,120	840,537	14,004	854,541
Arizona	1,135,191	155,341	1,290,532	1,780,688	78,579	1,859,267
Arkansas	1,138,836	163,630	1,302,466	1,829,993	73,911	1,903,904
California	10,735,821	1,787,474	12,523,335	13,369,828	726,667	14,096,495
Colorado	1,356,060	190,495	1,546,555	2,038,058	91,806	2,129,864
Connecticut	1,635,585	254,883	1,890,468	2,475,893	112,034	2,527,947
Delaware	341,766	48,407	390,173	986,657	21,384	1,009,441
Florida	3,564,119	592,788	4,156,907	4,750,879	255,189	5,046,060
Georgia	2,674,284	424,909	3,099,193	3,595,592	182,055	3,737,647
Hawaii	474,673	66,828	541,501	1,120,125	31,120	1,151,245
Idaho	464,907	63,696	528,603	1,101,332	30,342	1,131,674
Illinois	6,147,508	1,009,671	7,157,179	7,672,786	409,236	8,082,022
Indiana	3,054,713	480,909	3,535,622	3,955,258	199,172	4,154,430
Iowa	1,665,494	241,866	1,907,360	2,389,570	105,810	2,495,380
Kansas	1,235,055	189,589	1,424,644	2,006,697	79,357	2,086,054
Kentucky	1,896,451	283,385	2,179,836	2,621,900	122,926	2,744,826
Louisiana	2,372,025	349,627	2,721,652	2,991,487	151,713	3,143,200
Maine	628,208	85,368	713,576	1,260,105	38,900	1,299,005
Maryland	2,303,606	361,936	2,665,542	3,099,007	154,047	3,253,054
Massachusetts	3,050,525	507,157	3,557,682	4,102,189	206,952	4,309,141
Michigan	5,458,713	835,356	6,294,069	6,533,286	251,633	6,884,919
Minnesota	2,369,960	358,798	2,728,758	3,074,900	150,935	3,225,835
Mississippi	1,372,794	198,522	1,571,316	2,070,803	92,583	2,163,386
Missouri	2,656,749	421,725	3,078,474	3,507,874	170,385	3,678,259
Montana	456,131	62,365	518,496	1,090,050	28,786	1,118,836
Nebraska	857,329	127,073	984,402	1,551,741	56,017	1,607,758
Nevada	298,256	42,239	340,495	947,174	20,228	957,402
New Hampshire	448,748	63,014	511,762	1,088,720	29,564	1,116,284
New Jersey	3,854,929	643,066	4,497,995	5,062,725	264,525	5,327,250
New Mexico	733,488	94,556	800,044	1,331,560	45,902	1,377,462
New York	9,064,619	1,594,867	10,659,486	11,739,991	629,415	12,369,406
North Carolina	2,871,058	464,792	3,335,850	3,835,042	192,170	4,027,212
North Dakota	392,795	55,674	448,469	1,034,899	24,896	1,059,795
Ohio	6,253,575	981,372	7,234,947	7,522,814	399,122	7,921,936
Oklahoma	1,461,629	213,875	1,675,504	2,207,641	92,583	2,300,224
Oregon	1,157,319	176,746	1,334,065	1,918,024	77,801	1,995,825
Pennsylvania	6,458,100	1,051,728	7,509,828	7,929,630	415,460	8,345,090
Rhode Island	514,055	77,740	591,795	1,190,463	33,454	1,223,917
South Carolina	1,634,365	228,287	1,862,652	2,303,685	105,032	2,408,717
South Dakota	430,087	59,634	489,721	1,067,905	26,452	1,094,357
Tennessee	2,224,803	355,637	2,580,440	3,050,981	146,267	3,197,248
Texas	6,777,532	1,038,195	7,815,777	8,077,890	441,135	8,469,025
Utah	741,001	96,795	837,796	1,354,337	46,681	1,401,018
Vermont	284,982	38,870	323,852	915,881	17,116	932,997
Virginia	2,615,549	423,119	3,038,673	3,537,542	176,609	3,714,451
Washington	1,899,298	304,685	2,203,983	2,743,230	124,482	2,867,712
West Virginia	992,654	147,053	1,139,707	1,704,292	63,019	1,767,311
Wisconsin	2,761,998	413,377	3,175,375	3,444,948	175,053	3,619,971
Wyoming	216,892	29,950	246,842	853,461	13,226	866,387
District of Columbia	346,687	59,802	406,489	1,060,411	23,340	1,083,751
Puerto Rico	2,245,050	477,301	2,722,351	3,012,183	127,594	3,199,777
Outlying areas	516,170	87,599	603,769	1,501,782	78,587	1,580,389
Total			137,330,000			172,888,000

APPENDIX I

ALLOCATION FORMULAS - TITLE IV, PARTS B & C, P.L. 93-380

P.L. 93-380

1% to extra state jurisdictions.

From amounts appropriated for Part B or Part C, or both, allot to each state from each such amount an amount which bears the same ratio to such amount as the number of children aged five to seventeen, inclusive, in the state bears to the number of such children in all the states.

PRIOR TO P.L. 93-380--PART B TYPE PROGRAMS

ESEA Title II

3% to extra state jurisdictions.

Allot to each state an amount which bears the same ratio to the amount number of children enrolled in the public and private elementary and secondary schools of that state bears to the total number of children so enrolled in such schools in all the states.

NDEA Title III

16% reserved.

Allot to each state an amount which bears the same ratio to the amount appropriated at the product of: (a) the school-age population of the state, and (b) the state's allotment ratio.

"Allotment ratio": 100% of less than the product of (a) 50% and (b) the quotient obtained by dividing the income per child of school age for the state by the income per child of school age for the U.S., except that the allotment ratio shall not be less than 33 $\frac{1}{3}$ % or more than 66 $\frac{2}{3}$ %.

Administration 2% for extra state jurisdictions.

PRIOR TO P.L. 93-380 PART C TYPE PROGRAMS

ESEA Title III

3% to extra state jurisdictions.

\$200,000 to each state and the remainder as follows:

(a) An amount which bears the same ratio to 50% of such remainder as the number of children aged 5-17, inclusive, in the state bears to the number of such children in all the states; and

(b) An amount which bears the same ratio to 50% of such remainder as the population of the state bears to the population of all the states.

ESEA Title V

2% of 95% to extra state jurisdictions.

(a) 40 per centum among the states in equal amounts,

(b) An amount which bears the same ratio to 60 per centum of the remainder as the number of public school pupils in the state bears to the number of public school pupils in all of the states.

APPENDIX H

ANALYSIS OF ESTIMATED DISTRIBUTION OF FUNDS IN FISCAL YEAR 1976 FOR
ESEA TITLE IV, EDUCATION AMENDMENTS OF 1972

I. Table B-1 shows the estimated distribution of \$137,330,000 appropriated for Libraries and Learning Resources with 50% allocated under the formula for ESEA Title IV and the other 50% distributed on the basis of the categorical formulas for ESEA Title II and NDEA Title III. One-half the \$18 million formerly expended under ESEA Title III for Guidance, Counseling, and Testing is also distributed on a categorical basis, but this will be administered in conjunction with the ESEA Title III categorical program under Part C. The distribution for the outlying areas (American Samoa, Guam, Trust Territories, Virgin Islands) the Department of Defense, and the Bureau of Indian Affairs have not been calculated.

II. Table B-2 shows the estimated distribution of \$172,888,000 appropriated for Innovation and Support, with 50% allocated under the formula for ESEA Title IV and the other 50% distributed on the basis of the categorical programs formulas for ESEA Title V, and ESEA Title III, less \$18,830,000 for

¹ Note. Tables B-3 through B-8 were computed through a hand tabulation process. While the data have been re-checked, errors may exist.

Guidance, Counseling, and Testing which is included in Part B. Also, included in the Part C consolidation are one-half of the FY 1974 amounts appropriated for Dropout Prevention (\$4,000,000) and Nutrition and Health (\$1,900,000). The other half of these funds, and \$985,025 for ESEA V, Section 505 projects, will be allocated to the Commissioner for discretionary grants. Individual amounts for the outlying areas, DOD, and BIA have not been calculated.

III. *Table B-3* compares the estimated aggregate amount each State will receive in fiscal year 1976 with the total State distribution for categorical programs (ESEA II, NDEA III, ESEA III, ESEA V) in fiscal year 1975. Funds for Nutrition and Health, and Dropout Prevention were not included since these categorical discretionary programs do not have State distributions.

Although the aggregate increases by approximately \$28 million, 7 States and D.C. lose funds. The losses range from \$11,731 to \$80,948.

Alaska	(56,084)
Delaware	(\$38,793)
Nevada	(\$29,070)
North Dakota	(\$14,473)
South Dakota	(\$11,731)
Vermont	(\$57,980)
Wyoming	(\$80,948)
District of Columbia	(\$49,087)

Ten States receive increases of \$1,000,000 or more.

IV. *Table B-4* compares fiscal year 1976 amounts available for LEA programs for the acquisition of school library and learning resources; and guidance, counseling and testing; and administration allowances, with the amounts available in fiscal year 1975 for ESEA II and NDEA III. For purposes of this Table, the administration allowances are the maximums authorized by statute (5% of the allocation or the amount allowed in fiscal year 1973, whichever greater, for the consolidated 50%; 5% or \$50,000 for ESEA II categorical 50%).

The Table shows that 5 States would receive less if the maximum set aside for administration are exercised. The losses are modest, ranging from \$3028 (Nevada) to \$28,201 (Wyoming). All States gain in administration allowances.

V. *Table B-5* compares fiscal year 1976 amounts available for LEA programs for innovation, and administration allowances (Part C of ESEA IV) with the amounts available in fiscal year 1975 for ESEA III. For purposes of this Table, the set aside for strengthening leadership capabilities of State and local educational agencies is the maximum authorized by statute (15% of the Part C allocation or the amount allocated for these activities in fiscal year 1973, whichever is greater). The administration allowances are also the maximums (5% of the Part C allocation, or the amount received in fiscal year 1973, whichever is greater).

With the exception of Texas, all States lose funds, ranging from \$8,164 (Florida) to \$307,927 (District of Columbia).

TABLES FOR FISCAL YEAR 1976

1. *Table B-1*. Distribution of funds under P.L. 89-10, as amended by P.L. 93-380, Part B, Libraries and Learning Resources; FY 1976.

2. *Table B-2*. Distribution of funds under P.L. 89-10, as amended by P.L. 93-380, Part C, Educational Innovation and Support; FY 1976.

3. *Table B-3*. Comparison of total estimated distribution of funds under P.L. 89-10, as amended by P.L. 93-380, Part B and C for FY 1976 with total funds available in FY 1975 for corresponding to categorical programs.

4. *Table B-4*. Comparison of estimated distribution of funds under P.L. 89-10, as amended by P.L. 93-380, Part B for administration and programs with corresponding FY 1975 amounts.

5. *Table B-5*. Comparison of estimated distribution of funds under P.L. 89-10, as amended by P.L. 93-380, Part C for administration and programs with corresponding FY 1975 amounts.

TABLE B-1—*Distribution of funds under public law 89-10, title IV, as amended by public law 93-380, part B, libraries and learning resources: fiscal year 1976*

	Total State distribution ¹
United States and outlying areas	\$137,330,000
50 States, District of Columbia, and Puerto Rico	135,834,172
Alabama	2,339,205
Alaska ²	250,818
Arizona	1,424,113
Arkansas	1,301,669
California	12,556,971
Colorado	1,608,365
Connecticut	1,949,787
Delaware	306,667
Florida	4,403,497
Georgia	3,144,880
Hawaii	547,061
Idaho	543,278
Illinois	7,112,491
Indiana	3,485,011
Iowa	1,863,613
Kansas	1,365,042
Kentucky	2,150,209
Louisiana	2,086,049
Maine	707,173
Maryland	2,676,362
Massachusetts	3,606,859
Michigan	6,186,270
Minnesota	2,659,822
Mississippi	1,642,403
Missouri	2,973,213
Montana	512,205
Nebraska	986,873
Nevada	369,743
New Hampshire	532,849
New Jersey	4,521,454
New Mexico	828,198
New York	10,823,688
North Carolina	3,345,702
North Dakota	436,953
Ohio	7,044,168
Oklahoma	1,642,470
Oregon	1,360,213
Pennsylvania	7,313,595
Rhode Island	591,099
South Carolina	1,849,041
South Dakota	475,743
Tennessee	2,572,743
Texas	7,801,883
Utah	843,256
Vermont	326,157
Virginia	3,081,125
Washington	2,179,843
West Virginia	1,129,343
Wisconsin	3,090,423

See footnote at end of table.

TABLE B-1--*Distribution of funds under public law 89-10, title IV, as amended by public law 93-380, part B, libraries and learning resources: fiscal year 1976--continued*

	Total State distribution ^a
Wyoming	247,648
District of Columbia	410,468
Puerto Rico	1,934,871
Outlying areas	1,495,828

^a Total shown is total of page 2, column 1 through 5. The total appropriation is \$137,330,000 with 1 percent of the 50 States, District of Columbia, and Puerto Rico amount reserved for the outlying areas. Area amount shown is more than this because in the NDEA programs, Puerto Rico is listed as an area. Distribution of funds under provisions of sections 401(c)(1) with 50 percent distributed on the 5X17 population, July 1, 1973 and Apr. 1, 1970; 50 percent distributed under the formulas for Public Law 89-10, title II, title III (estimated guidance amount only), NDEA title III, grants and administration in the same ratio as the amount appropriated for each program in fiscal year 1974 or fiscal year 1975, whichever is higher, is to the total of such appropriated amounts.

TABLE B-1.—DISTRIBUTION OF FUNDS UNDER PUBLIC LAW 89-10, TITLE IV, AS AMENDED BY PUBLIC LAW 93-380,
PT. B, LIBRARIES AND LEARNING RESOURCES. FISCAL YEAR 1976

	50 percent consolidation amount ¹	Public Law 89-10, title II amount ²	Public Law 89-10, title III amount (guidance) ³	NDEA, title III amount (grants) ⁴	NDEA, title III amount (adminis- tration) ⁵
United States and outlying areas	\$68,665,100	\$45,951,951	\$9,084,255	\$12,663,924	\$964,870
50 States, District of Columbia, and Puerto Rico	67,985,148	45,496,981	8,993,412	12,410,646	947,985
Alabama	1,170,286	732,773	147,854	274,959	13,333
Alaska	123,393	74,008	17,123	22,961	13,333
Arizona	691,001	489,567	87,988	142,224	13,333
Arkansas	644,242	411,176	84,278	148,640	13,333
California	6,348,900	4,258,150	880,061	1,002,852	67,008
Colorado	800,107	540,518	102,819	151,588	13,333
Connecticut	978,053	686,953	126,357	145,091	13,333
Delaware	190,935	134,240	26,271	31,888	13,333
Florida	2,227,570	1,465,433	303,054	383,930	23,510
Georgia	1,589,823	995,164	199,906	343,208	16,779
Hawaii	272,764	177,584	36,824	46,556	13,333
Idaho	262,373	173,685	34,861	59,026	13,333
Illinois	3,574,504	2,444,157	486,977	569,127	37,726
Indiana	1,740,492	1,166,361	219,187	340,602	18,369
Iowa	929,994	622,785	118,958	178,543	13,333
Kansas	696,197	440,102	92,163	123,247	13,333
Kentucky	1,072,871	685,685	137,326	241,084	13,333
Louisiana	1,323,554	870,284	161,537	317,305	13,969
Maine	337,707	235,519	44,903	75,711	13,333
Maryland	1,346,933	910,398	169,617	235,198	14,216
Massachusetts	1,806,735	1,243,501	233,331	304,224	19,068
Michigan	3,071,839	2,118,075	407,136	556,799	32,421
Minnesota	1,317,059	901,475	164,029	263,359	13,900
Mississippi	807,900	521,044	100,267	199,859	13,333
Missouri	1,485,812	996,697	192,353	282,568	15,682
Montana	249,384	162,564	33,115	53,809	13,333
Nebraska	490,975	326,037	64,510	92,018	13,333
Nevada	179,745	123,078	25,096	28,991	13,333
New Hampshire	257,177	176,400	34,896	51,043	13,333
New Jersey	2,311,997	1,541,711	298,481	344,864	24,401
New Mexico	401,352	264,179	50,122	99,212	13,333
New York	5,502,034	3,707,264	769,918	786,402	58,070
North Carolina	1,682,043	1,069,198	215,464	361,244	17,753
North Dakota	216,912	133,494	29,156	44,058	13,333
Ohio	3,485,778	2,390,971	471,795	655,803	36,821
Oklahoma	809,199	545,856	107,440	166,642	13,333
Oregon	681,909	446,356	90,357	128,258	13,333
Pennsylvania	3,629,056	2,493,817	505,528	646,892	38,302
Rhode Island	290,948	195,941	40,508	51,269	13,333
South Carolina	918,305	584,386	115,421	217,596	13,333
South Dakota	229,901	150,610	30,921	50,978	13,333
Tennessee	1,280,691	833,818	165,888	278,849	13,517
Texas	3,855,061	2,581,994	520,096	804,044	40,688
Utah	406,548	276,335	51,476	95,564	13,333
Vermont	151,968	105,294	21,661	33,901	13,333
Virginia	1,545,661	1,022,872	197,647	298,632	16,313
Washington	1,087,158	741,309	140,300	197,743	13,333
West Virginia	548,125	374,459	73,247	120,179	13,333
Wisconsin	1,530,075	1,040,173	190,521	313,505	16,149
Wyoming	115,600	77,914	17,098	23,703	13,333
District of Columbia	201,326	140,738	30,173	24,898	13,333
Puerto Rico	1,112,575	694,879	127,417	(⁶)	(⁶)
Outlying areas	679,852	454,970	90,843	253,278	16,885

¹ Distribution of \$67,985,148 on the basis of the May 17 population, July 1, 1973 (April 1, 1970 for Puerto Rico). 50 percent of area amount reserved.

² Distribution of \$45,951,951 under provisions of Public Law 89-10, title II: 1 percent (\$454,970) of the 50 States, District of Columbia and Puerto Rico amount reserved for the areas; \$45,496,981 distributed on the basis of total public and non-public elementary and secondary school enrollment, fall 1973.

³ Amount determined as follows: fiscal year 1974 or fiscal year 1975 whichever larger, ESEA II—95,250,000; Guidance—18,830,000; NDEA III 26,250,000; NDEA III (administration)—2,000,000; these divided by 142,330,000 times 68,665,000 equals ESEA—45,951,951; (guidance—9,084,255; NDEA III—12,663,924; NDEA III (administration)—964,870).

⁴ Estimated by NCES, REP.

⁵ Distribution of \$12,663,924 with 2 percent (\$253,278) reserved for the areas, and the balance distributed on the basis of the fiscal year 1976 NDEA State products of (1) fiscal year 1976 and fiscal year 1977 NDEA allotment ratios, with limits of 0.334 and 0.664 and (2) May 17 population July 1, 1973. Puerto Rico is included in the outlying areas.

⁶ Distribution of \$964,870 with 1.75 percent (\$16,885) reserved for the areas and the balance distributed on the basis of the May 17 population, July 1, 1973, with a minimum of \$13,333. Puerto Rico is included in the outlying areas.

TABLE B-2.—DISTRIBUTION OF FUNDS UNDER PUBLIC LAW 89-10, TITLE IV, AS AMENDED BY PUBLIC LAW 93-380
PT. C, EDUCATIONAL INNOVATION AND SUPPORT: FISCAL YEAR 1976¹

	Total State distributions ²	50 percent consolidation amount ³	Public Law 89-10, title III, amount ⁴	Public Law 89-10, title V, amount ⁵
United States and outlying areas	\$168,952,375	\$86,444,000	\$63,781,500	\$18,726,187
50 States, District of Columbia and Puerto Rico	167,271,410	85,588,119	63,143,685	18,539,606
Alabama	2,903,412	1,473,301	1,101,608	328,503
Alaska	733,014	343,534	415,160	162,511
Arizona	1,925,516	869,918	787,271	268,327
Arkansas	1,830,010	811,051	767,786	251,173
California	14,020,376	7,992,783	4,809,463	1,218,130
Colorado	2,153,263	1,007,274	865,141	240,848
Connecticut	2,523,532	1,231,294	988,734	303,504
Delaware	878,251	420,372	463,204	174,675
Florida	5,213,364	2,004,341	1,895,480	513,543
Georgia	3,780,898	2,001,466	1,374,922	404,510
Hawaii	1,047,673	343,389	518,618	185,666
Idaho	1,026,840	330,307	508,305	188,228
Illinois	7,947,805	4,500,028	2,745,454	702,323
Indiana	4,101,135	2,191,147	1,476,165	433,823
Iowa	2,415,507	1,170,792	949,884	294,831
Kansas	1,939,426	876,459	809,194	253,773
Kentucky	2,710,786	1,350,662	1,046,328	313,796
Louisiana	3,185,435	1,666,253	1,173,456	345,726
Maine	1,188,006	425,148	561,043	201,815
Maryland	3,273,927	1,695,686	1,215,886	362,355
Massachusetts	4,258,254	2,274,542	1,550,438	433,274
Michigan	6,848,227	3,867,211	2,326,221	654,795
Minnesota	3,204,387	1,658,077	1,186,541	359,769
Mississippi	2,136,867	1,017,085	851,745	267,977
Missouri	3,594,490	1,870,651	1,335,266	388,573
Montana	997,205	313,955	499,143	184,107
Nebraska	1,502,657	618,100	633,991	220,566
Nevada	857,935	225,655	457,010	175,270
New Hampshire	1,016,229	323,767	508,491	183,971
New Jersey	5,289,554	2,910,628	1,873,973	499,933
New Mexico	1,304,711	505,272	588,439	211,060
New York	12,132,324	6,926,641	4,231,121	974,562
North Carolina	3,999,808	2,117,564	1,446,623	425,622
North Dakota	927,398	273,076	478,354	175,968
Ohio	7,774,074	4,392,105	2,665,735	716,234
Oklahoma	2,195,683	1,018,720	889,411	287,552
Oregon	1,915,721	858,472	799,708	257,541
Pennsylvania	8,114,073	4,568,705	2,842,861	702,507
Rhode Island	1,091,383	366,281	537,961	187,141
South Carolina	2,381,203	1,156,075	931,314	293,814
South Dakota	952,654	289,428	487,622	180,604
Tennessee	3,168,822	1,612,292	1,196,199	360,331
Texas	8,586,199	4,853,227	2,919,347	813,825
Utah	1,323,732	511,813	595,553	216,366
Vermont	798,549	191,317	438,997	168,235
Virginia	3,713,306	1,945,870	1,363,067	404,369
Washington	2,763,343	1,368,649	1,061,950	332,744
West Virginia	1,641,217	690,048	709,868	241,301
Wisconsin	3,632,561	1,926,247	1,325,647	380,667
Wyoming	723,753	145,531	415,015	163,207
District of Columbia	912,548	253,454	483,672	175,422
Puerto Rico	2,709,424	1,400,647	994,300	314,477
Outlying areas	1,680,965	855,881	637,815	187,269

¹ Total appropriation, \$172,888,000 with 1 percent (\$1,711,762) of the 50 States, District of Columbia, and Puerto Rico amount reserved for the outlying areas, Bureau of Indian Affairs and Department of Defense. Distribution of funds under provisions of sec. 401(c)(2); 50 percent amount, \$86,444,000; Public Law 89-10, title III, amount, \$63,781,500; Public Law 89-10, title V amount, \$19,712,500; dropout prevention, sec. 807, \$2,000,000 and nutrition and health sec. 808, \$950,000.

² Total of cols. 2, 3, and 4.

³ Distribution of \$85,588,119 on the basis of 5 to 17 population, July 1, 1973 (Apr. 1, 1970 for Puerto Rico). 50 percent of area amount reserved.

⁴ Distribution of \$63,781,500 under provisions of Public Law 89-10, title III; 1 percent (\$637,815) reserved for the outlying areas; balance distributed with a basic amount of \$200,000 and 50 percent of the remainder distributed on the basis of 5 to 17 population, July 1, 1973 and Apr. 1, 1970; 50 percent on the basis of total resident population, July 1, 1973 and Apr. 1, 1970, with 7½ percent of State allotment or \$150,000, whichever is larger amount, reserved for sec. 303(c).

⁵ Distribution of title V amount under provisions of title V, pt. A: 5 percent (\$985,625) of \$19,712,500 reserved for special projects; 1 percent (\$187,269) of the balance reserved for the outlying areas; remainder distributed with 40 percent in equal amounts and 60 percent on the basis of the public school elementary and secondary enrollment, fall 1973.

TABLE B 3—COMPARISON OF TOTAL ESTIMATED DISTRIBUTION OF FUNDS UNDER PUBLIC LAW 89-10, AS AMENDED BY PUBLIC LAW 93-380, PTS. B AND C FOR FISCAL YEAR 1976, WITH TOTAL FUNDS AVAILABLE IN FISCAL YEAR 1975 FOR CORRESPONDING TO CATEGORICAL PROGRAMS

	Total State distributions, pts. B and C (1)	Distributions categorical programs (col. 1 + col 2) (2)	Total State distribution (col. 1 + col 2) (3)	Fiscal year 1975, total State distribution programs (col. 3 - col 4) (4)	Fiscal year 1976, differences programs (col. 3 - col 4) (5)
Alabama.....	\$2,643,587	\$2,599,030	\$5,242,617	\$4,669,011	\$573,606
Alaska.....	278,736	705,096	983,832	1,040,916	(-56,084)
Arizona.....	1,560,919	1,788,710	3,349,629	3,047,434	302,195
Arkansas.....	1,455,293	1,676,386	3,131,679	2,890,866	240,813
California.....	14,341,683	12,235,964	26,577,647	23,132,829	3,444,818
Colorado.....	1,807,381	1,954,247	3,761,628	3,388,685	372,943
Connecticut.....	2,209,347	2,263,972	4,473,319	4,027,259	446,060
Delaware.....	431,307	843,611	1,274,918	1,313,711	(-38,793)
Florida.....	5,031,911	4,584,950	9,616,861	8,424,233	1,192,628
Georgia.....	3,591,289	3,334,489	6,925,778	6,061,914	853,864
Hawaii.....	616,153	978,581	1,594,734	1,563,087	30,947
Idaho.....	592,680	977,438	1,570,118	1,550,141	19,977
Illinois.....	8,074,532	6,985,764	15,060,296	13,266,759	1,793,537
Indiana.....	3,931,639	3,654,507	7,586,146	6,734,080	852,066
Iowa.....	2,100,786	2,178,334	4,279,120	3,893,314	385,806
Kansas.....	1,572,656	1,731,812	3,304,468	3,038,622	265,846
Kentucky.....	2,423,533	2,437,552	4,861,085	4,351,009	510,076
Louisiana.....	2,989,807	2,882,277	5,872,084	5,203,725	668,359
Maine.....	762,855	1,132,324	1,895,179	1,846,915	49,264
Maryland.....	3,042,619	2,907,670	5,950,289	5,271,334	678,955
Massachusetts.....	4,081,277	3,783,836	7,865,113	6,978,885	886,228
Michigan.....	6,939,050	6,095,447	13,034,497	11,507,668	1,526,829
Minnesota.....	2,975,136	2,889,073	5,864,209	5,236,880	627,329
Mississippi.....	1,824,985	1,954,225	3,779,210	3,387,673	391,537
Missouri.....	3,356,564	3,211,139	6,567,703	5,881,243	686,460
Montana.....	563,339	946,071	1,509,410	1,498,841	10,569
Nebraska.....	1,109,075	1,380,455	2,489,530	2,341,326	148,204
Nevada.....	404,900	822,778	1,227,678	1,256,748	(-29,070)
New Hampshire.....	580,944	968,134	1,549,078	1,530,572	18,406
New Jersey.....	5,222,625	4,588,383	9,811,008	8,637,924	1,173,084
New Mexico.....	906,624	1,226,285	2,132,909	2,020,182	112,727
New York.....	12,428,675	10,527,337	22,956,012	20,032,503	2,923,509
North Carolina.....	3,799,607	3,545,904	7,345,611	6,497,411	848,100
North Dakota.....	489,988	874,363	1,364,351	1,378,824	(-14,473)
Ohio.....	7,880,883	6,937,359	14,818,242	13,109,5/4	1,708,668
Oklahoma.....	1,827,919	2,010,234	3,838,153	3,532,581	305,572
Oregon.....	1,540,381	1,735,553	3,275,934	2,999,366	276,568
Pennsylvania.....	8,197,761	7,229,907	15,427,668	13,716,534	1,711,134
Rhode Island.....	657,229	1,026,153	1,683,382	1,656,309	27,073
South Carolina.....	2,074,380	2,155,864	4,230,244	3,800,665	429,579
South Dakota.....	519,329	914,068	1,433,397	1,445,128	(-11,731)
Tennessee.....	2,892,983	2,848,582	5,741,565	5,153,529	588,036
Texas.....	8,708,288	7,679,794	16,388,082	14,364,820	2,023,262
Utah.....	918,361	1,248,627	2,166,988	2,066,581	100,407
Vermont.....	343,285	781,421	1,124,706	1,182,686	(-57,980)
Virginia.....	3,491,531	3,302,900	6,794,431	6,027,932	766,499
Washington.....	2,455,807	2,487,379	4,943,186	4,455,877	487,309
West Virginia.....	1,238,173	1,532,387	2,770,560	2,638,910	131,650
Wisconsin.....	3,456,322	3,266,662	6,722,984	5,964,049	758,935
Wyoming.....	261,131	710,270	971,401	1,052,849	(-80,948)
District of Columbia.....	454,780	868,236	1,323,016	1,372,103	(-49,087)
Puerto Rico.....	2,513,222	2,131,073	4,644,295	1,724,358	2,919,937
American Samoa.....					
Canal Zone.....					
Guam.....					
Puerto Rico.....					
Virgin Islands.....					

TABLE B-4.—COMPARISON OF ESTIMATED DISTRIBUTION OF FUNDS UNDER PUBLIC LAW 89-10, AS AMENDED BY PUBLIC LAW 93-380, PART B FOR ADMINISTRATION AND PROGRAMS WITH CORRESPONDING FY 1975 AMOUNTS

	Total State distribution	Allowance for administration			Fiscal year 1975 administration allowances			Fiscal year 1976 LFA program funds			Administration allowances LFA program funds (col. 2 + col. 5) - (col. 4 - col. 6)			Differences, fiscal years 1976-1975	
		Consolidated categorical programs		LFA program funds (col. 1 - col. 2 + col. 3)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
				\$131,330,000	135,334,172										
United States and outlying areas															
50 States, District of Columbia and Puerto Rico....															
Alabama.....	2,339,205	\$112,525	\$63,333	\$2	163,347	\$108,654	\$1	837,365	\$67,204	\$275,932					
Alaska.....	250,818	63,333	124,152		63,333	69,113	138,563	63,333	63,333	14,411					
Arizona.....	1,424,113	67,221	1,293,559		63,333	1,169,917	67,802	1,182,837	61,441	110,722					
Arkansas.....	1,301,669	68,419	63,333		279,916	111,623,310	617,515	9,818,779	63,930	126,616					
California.....	12,555,971	653,745	75,848		63,333	1,469,184	77,530	1,298,638	316,335	1,744,331					
Colorado.....	1,608,365	100,245	63,333		1,786,209	98,436	1,555,093	65,142	61,641	170,546					
Connecticut.....	1,949,787	63,333	270,001		63,333	211,292	279,630	63,333	65,142	231,116					
Delaware.....	386,667	63,333	96,782		4,104,893	2,497,687	3,497,687	87,312	87,312	9,689					
Florida.....	4,403,497	201,822	66,769		2,927,212	146,931	2,497,687	87,312	87,312	607,206					
Georgia.....	3,144,880	150,899	63,333		63,333	63,333	63,333	63,333	63,333	428,316					
Hawaii.....	547,061	63,333	420,395		63,333	416,612	63,333	384,282	63,333	26,113					
Idaho.....	543,278	63,333	368,865		63,333	159,934	6,583,692	363,755	63,333	13,857					
Illinois.....	7,112,491	1,465,011	116,506		76,687	3,210,818	169,464	5,880,264	171,801	903,128					
Indiana.....	3,495,011	96,708	63,333		1,703,572	90,749	1,511,343	83,729	83,729	417,414					
Iowa.....	1,663,613	1,365,042	74,104		63,333	1,227,605	69,625	1,070,715	67,812	192,229					
Kansas.....	2,150,299	105,171	63,333		1,981,795	101,022	1,729,718	67,482	67,482	156,890					
Kentucky.....	2,686,649	129,740	63,333		2,492,940	127,232	2,10,737	66,417	66,417	222,077					
Louisiana.....	2,677,173	63,333	550,507		63,333	2,477,861	63,333	550,968	63,333	22,203					
Maine.....	2,676,362	134,285	64,216		131,743	2,149,969	64,216	2,149,969	64,216	53,539					
Maryland.....										327,892					

Massachusetts	3,606,859	180,423	6,186,270	2,659,822	135,765	5,932,160	5,034,773	148,955	476,552
Michigan	81,243	532,449	521,154	232,313	101,487	4,187,654	3,560,756	109,420	626,898
Minnesota	3,345,193	1,642,403	1,642,403	76,330	63,333	2,460,157	1,30,214	2,184,531	69,451
Mississippi	2,973,213	155,719	65,982	2,973,213	155,719	1,502,340	76,129	1,329,951	63,734
Missouri	512,205	63,333	63,333	63,333	63,333	2,751,112	144,338	2,403,387	76,563
Montana	986,873	63,333	63,333	63,333	63,333	385,339	63,333	322,115	63,333
Nebraska	369,743	63,333	63,333	63,333	63,333	859,911	63,727	74,369	63,255
Nevada	82,455	406,183	406,183	63,333	63,333	243,052	63,333	247,005	63,333
New Hampshire	2,874,641	179,211	5,345,193	5,345,193	5,345,193	5,034,773	5,034,773	148,955	476,552
New Jersey	4,521,154	10,823,688	10,823,688	63,333	63,333	1,224,637	68,875	1,023,487	62,701
New Mexico	3,345,193	562,108	562,108	10,017	10,017	772,391	360,413	5,907,388	180,791
New York	1,849,041	89,219	243,413	71,153	3,111,370	534,619	8,404,291	60,391	865,003
North Carolina	436,553	63,333	63,333	63,333	63,333	157,356	2,688,426	267,312	61,134
North Dakota	7,044,687	156,370	1,642,470	83,165	63,333	310,287	63,333	76,916	422,944
Ohio	2,512,743	124,632	1,642,470	63,333	63,333	1,495,972	5,790,058	67,440	51,238
Oklahoma	7,801,833	369,788	1,360,213	63,243	63,333	1,224,637	68,875	1,023,487	62,701
Pennsylvania	3,26,157	7,313,995	378,711	162,993	63,333	6,772,391	360,413	5,907,388	180,791
Rhode Island	3,081,125	591,999	63,333	63,333	63,333	465,333	63,333	403,391	61,942
South Carolina	2,179,843	113,144	63,333	63,333	63,333	596,195	86,018	1,500,346	66,528
South Dakota	1,129,343	65,953	63,333	63,333	63,333	349,077	63,333	344,880	63,333
Tennessee	1,050,423	155,810	1,129,343	63,333	63,333	1,000,057	65,514	924,572	63,772
Texas	7,801,833	169,788	1,360,213	63,333	63,333	7,222,307	373,875	2,092,363	65,912
Utah	843,256	63,333	63,333	63,333	63,333	716,590	63,333	627,662	63,333
Vermont	3,26,157	63,333	63,333	63,333	63,333	199,491	63,333	27,111	63,333
Virginia	2,179,843	113,144	63,333	63,333	63,333	2,862,396	2,494,188	69,471	358,808
Washington	1,129,343	65,953	63,333	63,333	63,333	2,003,366	107,216	4,757,923	69,261
West Virginia	1,050,423	155,810	1,129,343	63,333	63,333	1,000,057	65,514	924,572	63,772
Wisconsin	3,080,423	155,810	1,129,343	63,333	63,333	2,866,455	150,522	2,520,348	73,446
Wyoming	247,648	63,333	63,333	63,333	63,333	120,982	63,333	149,143	63,333
District of Columbia	410,168	63,333	63,333	63,333	63,333	283,802	63,333	231,243	63,333
Puerto Rico	1,934,871	121,280	63,333	63,333	63,333	1,750,258	91,018	1,533,901	93,403
American Samoa									
Canal Zone									
Guam									
Puerto Rico									
Virgin Islands									

1.5 percent of col 1 or fiscal year 1973 allowance whichever greater

TABLE B-5 (REVISION 2).—COMPARISON OF ESTIMATED DISTRIBUTION OF FUND UNDER PUBLIC LAW 89-10 AS AMENDED BY PUBLIC LAW 93-380, PT. C FOR ADMINISTRATION AND PROGRAMS WITH CORRESPONDING FISCAL YEAR 1975 AMOUNTS

	Total State distribution	Set-aside for ESEA title V categorical allocation activities ¹	ESEA title V categorical allocation	Administrative allowances consolidated programs ²	LEA program funds categorical programs (cols. 1, 2, 3, 4, and 5)	Fiscal year 1975 LEA program funds	Differences administrative allowances LEA program funds (col. 4-5) (col. 6 - col. 8)
						Fiscal year 1975 administrative allowances	Fiscal year 1975 LEA program funds
United States and outlying areas.....	\$168,952,375					\$1,358,852	\$200,605
50 States, District of Columbia, and Puerto Rico.....	167,271,410					361,684	0
Alabama.....	2,903,412	\$911,857	\$328,503	\$290,609	\$1150,000	\$1,312,244	\$150,000
Alaska.....	733,014	155,343	162,511	0	150,000	265,160	-95,534
Arizona.....	1,925,516	672,330	268,327	150,000	150,000	127,850	-442,731
Arkansas.....	1,320,010	688,946	251,173	132,105	150,000	617,786	-505,703
California.....	14,020,376	3,392,688	1,218,130	1,048,356	360,710	8,000,492	710,278
Colorado.....	2,153,263	742,552	280,848	150,000	150,000	829,863	694,788
Connecticut.....	2,523,532	825,107	303,504	172,989	150,000	1,071,932	1,201,951
Delaware.....	878,251	240,372	174,675	0	150,000	313,204	150,000
Florida.....	5,213,364	1,334,502	513,543	357,371	150,000	2,857,948	581,545
Georgia.....	3,780,858	1,096,686	404,310	260,273	150,000	1,887,429	181,936
Hawaii.....	1,047,673	1,242,389	185,666	0	150,000	368,618	150,000
Idaho.....	1,026,840	4,330,307	185,228	0	150,000	358,245	150,000
Illinois.....	7,947,805	1,945,632	702,323	598,489	205,969	4,495,452	405,039
Indiana.....	4,101,135	185,531	433,823	292,663	150,000	2,039,118	2,677,506
Iowa.....	2,415,507	818,013	294,831	164,895	150,000	917,768	150,000
Kansas.....	9,339,426	724,008	253,773	150,000	150,000	1,230,778	164,426
Kentucky.....	2,710,786	859,302	312,796	185,572	150,000	1,022,116	150,000
Louisiana.....	3,185,435	937,061	345,726	216,729	150,000	1,534,736	151,564
Maine.....	1,188,006	4,425,148	201,815	0	150,000	1,020,043	155,072
Maryland.....	3,273,927	943,400	362,355	223,849	150,000	1,553,943	616,356
Massachusetts.....	6,248,227	1,666,515	433,274	307,843	150,000	2,000,620	213,061
Michigan.....	3,204,387	1,788,777	654,795	496,130	174,467	3,733,758	4,497,049
Minnesota.....	982,809	359,769	222,035	222,035	150,000	1,489,774	2,046,560

Mississippi	234,634	1,010,133	303,573	267,977	1,765,307	150,000	1,232,662	218,543
Missouri	3,594,490	1,313,955	184,107	219,477	150,000	177,809	2,370,789	-458,456
Montana	987,205	605,959	220,566	12,101	150,000	513,981	541,792	-604,482
Nebraska	1,502,657	4225,655	175,270	0	150,000	307,10	150,000	-192,649
Nevada	857,935	323,767	165,971	0	150,000	358,491	150,000	-39,776
New Hampshire	1,016,229	1,313,773	493,933	386,451	150,000	2,075,377	267,662	557,959
New Jersey	5,298,554	1,313,773	493,933	214,000	150,000	1,349,143	3,568,627	-693,459
New Mexico	12,132,324	2,736,650	974,562	936,956	317,334	7,165,782	632,953	-296,595
New York	3,969,609	1,611,753	425,622	243,340	150,000	1,979,094	195,736	-272,569
North Carolina	927,398	1,273,076	175,968	0	150,000	328,354	150,000	-630,721
North Dakota	1,952,074	1,963,313	716,234	582,121	150,000	4,307,416	390,227	-157,061
Ohio	2,185,683	792,916	229,592	150,000	150,000	815,155	150,000	-815,606
Oklahoma	1,915,721	702,291	257,541	150,000	150,000	655,889	150,000	-514,092
Oregon	8,114,073	1,965,075	187,141	622,814	213,215	4,436,439	419,179	-536,250
Pennsylvania	1,091,383	3,356,281	293,814	156,452	0	150,000	381,961	5,583,620
Rhode Island	2,381,203	799,555	180,428	150,000	150,000	981,382	150,000	0
South Carolina	937,654	289,428	180,604	0	150,000	337,622	150,000	-47,452
South Dakota	1,168,822	915,299	360,321	220,207	150,000	1,462,989	155,807	-184,754
Tennessee	8,566,199	2,000,905	813,625	614,938	218,931	4,131,733	2,068,162	-603,773
Utah	1,323,732	3,511,813	216,368	0	150,000	445,533	422,303	215,203
Vermont	8,191,317	728,549	163,235	0	150,000	248,987	150,000	749,611
Virginia	3,713,306	1,089,849	404,385	259,237	150,000	1,808,856	180,269	224,968
Washington	2,763,343	917,345	332,744	194,272	150,000	1,163,939	150,000	194,772
West Virginia	1,641,217	650,385	241,301	39,663	150,000	1,559,858	150,000	-606,047
Wisconsin	3,632,561	1,038,689	320,667	253,603	150,000	1,099,602	176,256	-455,205
Wyoming	732,753	1,145,531	163,207	0	150,000	261,015	150,000	-540,583
District of Columbia	912,548	253,454	175,422	0	150,000	77,672	150,000	-96,922
Puerto Rico	2,709,424	615,975	314,477	256,829	150,400	1,372,143	150,000	0
American Samoa							521,994	-187,822
Guam							1,614,025	-245,882
Virgin Islands							256,829	

1. 15 percent of col. 2, table B-2, pg. 5, or fiscal year 1973 ESEA V allocation, whichever greater.
 2. 5 percent of col. 2, table B-2, minus col. 2 of this table, or fiscal year 1973 amount allocated for administration of ESEA III.

* Equals pt. C consolidated allocation (table B-2) since ESEA V fiscal year 1973 allocation exceeds pt. C allocation.

APPENDIX III

ANALYSIS OF ESTIMATED DISTRIBUTION OF FUNDS IN FISCAL YEAR 1977 FOR TITLE IV,
EDUCATION AMENDMENTS OF 1974¹

¹ NOTE.—Tables A-3 through A-6 were computed through a hand tabulation process. While the data have been re-checked, errors may exist.

I. *Table A-1* shows the estimated distribution of \$137,330,000 (the FY 76 appropriation level) for Part B, Libraries and Learning Resources. Included in Part B are funds formerly expended under ESEA II, NDEA III, and \$18 million formerly expended under ESEA III for Guidance, Counseling, and Testing. Individual amounts of the \$1,359,703 for outlying areas (Guam, Virgin Islands, and American Samoa), Department of Defense, and Bureau of Indian Affairs, have not been calculated. The distribution shown in Table A-1 is based on latest data available for 5-17 aged population and will be updated in FY 76, thus some minor shifts of funds will occur at that time.

II. *Table A-2* shows the estimated distribution of \$172,888,000 (the FY 76 appropriation level) for Part C, Innovation and Support Services. Included in Part B are funds formerly expended under ESEA III (less \$18 million of Guidance, Counseling, and Testing funds), ESEA V, Section 807, and Section 808. Individual amounts for the outlying areas, DOD, and BIA have not been determined. The distribution shown in Table A-1 is based on latest data available for 5-17 aged population and will be updated in FY 76, thus some minor shifts of funds will occur at that time.

III. *Table A-3* compares the estimated distribution of the aggregate estimated appropriation for FY 1977 for Title IV, Parts B and C with the aggregate amount received by SEAs under the categorical programs (ESEA II, NDEA III, ESEA III, ESEA V) for FY 1975 without regard for any appropriation revision. Funds for Nutrition and Health and Dropout Prevention were not included since these categorical discretionary programs do not have State distributions.

An analysis of this table reveals that, despite an increase of \$30 million (or approximately a net increase of \$30 million after allowing for the inclusion of \$5,900,000 for Nutrition and Health and Dropout Prevention) in the FY 77 amount over the FY 75 amount, 17 States and D.C. lost funds. The losses range from \$123,178 for Nebraska to \$530,086 for Wyoming. Of the 18 losses, 14 of them exceed \$300,000. All of the losses occur in less populated States. Alaska (\$483,445), Delaware (\$451,098), Hawaii (\$331,488), Idaho (\$364,781), Maine (\$321,204), Montana (\$372,162), Nebraska (\$123,178), Nevada (\$446,948), New Hampshire (\$368,685), New Mexico (\$206,933), North Dakota (\$398,848), Rhode Island (\$341,850), South Dakota (\$358,471), Utah (\$229,880), Vermont (\$496,116), West Virginia (\$162,564), Wyoming (\$530,086), and D.C. (\$462,545).

As best as can be determined, these losses occur because of a shift in the formula base. The formula for distributing funds under Title IV is strictly on a 5-17 aged population in contrast to:

(a) ESEA III being distributed on the basis of a flat \$200,000 per State with the remainder being distributed 1/2 on the basis of 5-17 aged population and 1/2 on the basis of general population.

(b) ESEA Title V being distributed on the basis of 40% flat grant (approximately \$290,000 per State with an appropriation of \$39 million) and 60 percent on basis of 5-17 public school enrollment.

The extent of the problem can not be fully ascertained from Tables A-1 through A-3. Because of the legislative requirements under Parts B and C, coupled with allowances for administrative funds, the problem is not confined to just those 18 jurisdictions shown with a loss in Table A-3. Serious problems also exists for States that have relatively small gains. These problems are revealed in the following tables.

IV. *Table A-4* compares the administrative funds available to SEAs in fiscal year 1977 and 1975. The calculations are made of the basis of the SEAs exercising maximum options as provided by law. An explanation of each column on Table A-4 is as follows:

Column 1 contains a distribution of Part C funds.

Column 2 contains the highest amount that an SEA may use for Title V type purposes. The law allows an SEA to utilize 15% of the amount in column 1 or the amount allotted in fiscal year 1973. In every case, the latter was the highest amount. However, please note the seriousness of the situation: four States have

allotments for all of Part C which are less than their Title V maximum set aside; nine States have less than \$200,000 remaining after the Title V set aside.

If, when it is possible, a State does not reserve the highest amount as shown in column 2, then that would provide additional funds for other program purposes under Part C. In most cases, that would have no effect on the amount of administrative funds available. How realistic it would be to assume that an SEA will not exercise its full option is not known. Because of inflation and the making of ESEA Title V, Part B (Grants to Strengthen Local School Districts) eligible for funding under Title IV, Part C, SEAs will go beyond the amount of ESEA Title V funds available in fiscal year 1975.

Additionally, some SEAs retained a part of the State's allocation under ESEA III for Guidance, Counseling, and Testing for expenditure at the State level. Since that is impossible under Title IV, Part B, it is expected that a portion of Title V will go to support that activity.

Column 3 shows the amount of Part C funds available after deducting the maximum amount of funds for ESEA Title V purposes from the Part C distribution (Column 1).

Column 4 shows the Part B distribution.

Column 5 is the aggregate amount available to a State under Parts B and C on which to calculate its administrative funds.

Column 6 shows the maximum amount available to an SEA for administrative purposes for Title IV. The amount shown is, as specified by law, either 5% of the amounts in column 5 (the aggregate of Parts B and C) or \$225,000, whichever is the greater. As may be noted, 29 States, Puerto Rico, and D.C. are at the \$225,000 level.

Column 7 contains the amounts received by each State in fiscal year 1975 for the administration of the categorical programs involved in consolidation.

As may be noted, 28 SEAs have less administrative funds in fiscal year 1977. These are relatively small, but never the less, they are losses. During the calculation, it was noted that States which received the floor amount for administration for ESEA II (\$50,000) NDEA III (\$13,333) and ESEA III (\$150,000) gained \$11,667 for the administration of Title IV.

V. Table A-5 contains a comparison of the estimated distribution of Part B funds for fiscal year 1977 with that received for the categorical programs involved in Part B. An explanation of each column is as follows:

Column 1 contains the prorated share of administrative funds from Table A-4, column 6. That ratio was calculated, State by State, on the ratio of Part B program funds to total program funds for Parts B and C (See Table A-4, column 4, 5, and 6). Thus, for States without Part C program funds (See Table A-4, column 3) the entire amount of administrative funds available was charged against Part B. Should States exercise options different than those shown in the tables, the prorated amounts for administration will be different. (Note: This process for calculating the amounts of administrative funds to be charged against each program does not in any way imply that SEAs are required to maintain separate accounting records for the administration of each Part in Title IV.)

Column 2 contains a distribution of Part B funds, less the administrative fund charge shown in column 1.

Column 3 shows a distribution of funds received in fiscal year 1975 for the categorical programs involved in Part B. It does not include the \$18 million of Guidance, Counseling, and Testing funds received under ESEA Title III that was included in Part B in fiscal year 1977.

Column 4 contains the differences between the Part B fiscal year 1977 funds (column 2) and the fiscal year 1975 categorical funds. As may be noted, 14 SEAs have less funds in fiscal year 1977 than in 1975. However, the losses shown do not reveal the complete picture. As previously indicated, \$18 million for Guidance, Counseling, and Testing activities formerly funded under ESEA III are included in the Part B program funds (column 2). Thus a true examination of net losses must take the \$18 million into account. Column 5 shows a distribution of \$18 million on a 5-17 age population. Likewise, the gains shown for SEAs in column 4 must be considered in light of the \$18 million distribution. For example, Alabama has \$2,220,200 to spend on Library and Learning Resources; equipment; and guidance, counseling, and testing in fiscal year 1977; in fiscal year 1975, it had \$1,887,365 to spend on libraries and learning resources and equipment. Of the \$332,844 increase, \$296,644 was due to the additional distribution of \$18 million, thus a net gain of \$36,000.

VI. *Table A-6* contains a comparison of the estimated distribution of Part C funds for fiscal year 1977 with that received for the categorical programs involved in Part C. An explanation of each column is as follows:

Column 1 contains the prorated share of administrative funds from Table A-4, column 6. An explanation of how each prorated share was calculated was described in Section V of this paper. Please note that 4 States (Alaska, Nevada, Vermont, and Wyoming) do not have any administrative funds charged against Part C. These SEAs do not have any Part C program funds available to LEAs.

Column 2 shows a distribution of the Part C program funds.

Column 3 contains a distribution of ESEA Title III program funds (including Section 306 funds) available in fiscal year 1975.

Column 4 contains a comparison of funds available in fiscal year 1977 and 1975. Note that 29 SEAs have less funds in fiscal year 1977 than in 1975. Of course, as in the case of increases under Part B, the decreases in Part C are in part brought about by the deduction of the \$18 million for Guidance, Counseling, and Testing under ESEA III. However, that is not the complete reason for the losses. For example, Rhode Island, as shown in column 4 has a loss of \$477,743. Its share of the \$18 million included under Part B was \$81,544. Thus a deduction of that amount from the \$477,743 leaves Rhode Island with a net loss of \$396,199—and Rhode Island has a \$12,624 loss under Part B.

Perhaps the situation can be brought sharply into focus by reviewing what happens in Wyoming:

TOTAL FUNDS	
1. Total distribution—title LV—fiscal year 1977-----	\$522,263
2. Total distribution—categorical programs—fiscal year 1975-----	1,052,349
<hr/>	
Net loss -----	530,086
<hr/>	
ADMINISTRATIVE FUNDS	
1. Administrative funds—title IV—fiscal year 1977-----	225,000
2. Administrative funds—categorical programs—fiscal year 1975-----	213,333
<hr/>	
Net increase-----	11,667
<hr/>	
PART C FUNDS	
1. Part C allocation-----	201,063
2. ESEA V purpose set aside from part C-----	445,931
<hr/>	
3. Part C funds available to LEAs-----	(154,868)
<hr/>	
PART B FUNDS	
1. Part B allocation (after administrative deduction)-----	5,200
2. ESEA II and NDEA IJI allocation—fiscal year 1975-----	149,183
<hr/>	
Net loss-----	(\$143,983)

TABLES FOR FISCAL YEAR 1977

1. *Table A-1*. Estimated distribution of funds under P.L. 89-10, Title IV, as amended by P.L. 93-380, Part B, Libraries and Learning Resources: FY 1977.

2. *Table A-2*. Estimated distribution of funds under P.L. 89-10, Title IV, as amended by P.L. 93-380, Part C, Educational Innovation and Support: FY 1977.

3. *Table A-3*. Comparison of total estimated distribution of funds under P.L. 89-10, as amended by P.L. 93-380, Parts B and C for FY 1977 with total funds available in FY 1975 for corresponding categorical programs.

4. *Table A-4*. Comparison of estimated administrative funds under P.L. 89-10, Title IV, as amended by P.L. 93-380 for FY 1977 with total administrative funds available in FY 1975 under corresponding categorical programs.

5. *Table A-5*. Comparison of estimated distribution of program funds under P.L. 89-10, Title IV, as amended by P.L. 93-380, for Part B, Libraries and Learning Resources for FY 1977 with funds available in FY 1975 for corresponding categorical programs.

6. *Table A-6*. Comparison of estimated distribution of program funds under P.L. 89-10, Title IV, as amended by P.L. 93-380, for Part C, Innovation and Support Services for FY 1977 with funds available in FY 1975 for corresponding categorical programs.

TABLE A-1.—*Estimated distribution of funds under Public Law 89-10, title IV, as amended, by Public Law 93-380, Part B, libraries and learning resources: Fiscal year 1977*

	Estimated State amounts ¹
U.S. and outlying areas	<u>\$137, 330, 000</u>
50 States, D.C. and Puerto Rico	<u>135, 970, 297</u>
Alabama	2, 340, 573
Alaska	246, 786
Arizona	1, 382, 003
Arkansas	1, 288, 484
California	12, 697, 802
Colorado	1, 600, 214
Connecticut	1, 956, 106
Delaware	381, 869
Florida	4, 455, 141
Georgia	3, 179, 646
Hawaii	545, 527
Idaho	524, 745
Illinois	7, 149, 007
Indiana	3, 480, 985
Iowa	1, 859, 980
Kansas	1, 392, 394
Kentucky	2, 145, 741
Louisiana	2, 647, 107
Maine	675, 415
Maryland	2, 603, 867
Massachusetts	3, 618, 470
Michigan	6, 143, 678
Minnesota	2, 634, 118
Mississippi	1, 615, 800
Missouri	2, 971, 826
Montana	498, 768
Nebraska	981, 949
Nevada	358, 480
New Hampshire	514, 354
New Jersey	4, 623, 905
New Mexico	802, 705
New York	11, 004, 068
North Carolina	3, 364, 086
North Dakota	433, 824
Ohio	6, 977, 556
Oklahoma	1, 618, 308
Oregon	1, 363, 819
Pennsylvania	7, 258, 113
Rhode Island	581, 896
South Carolina	1, 836, 609
South Dakota	459, 802
Tennessee	2, 561, 381
Texas	7, 710, 121
Utah	813, 096
Vermont	308, 937
Virginia	3, 091, 322
Washington	2, 174, 317
West Virginia	1, 096, 250
Wisconsin	3, 060, 149
Wyoming	231, 200
District of Columbia	402, 651
Puerto Rico	2, 225, 149
Outlying areas	1, 659, 703

¹ Distribution of \$137,300,000 with 1 percent (\$1,359,701) reserved for the areas, BIA, and DOD and the remainder distributed on the basis of the May 17 population July 1, 1973 for 50 States and District of Columbia, and April 1, 1970 for Puerto Rico.

TABLE A-2.—*Estimated distribution of funds under Public Law 89-10, title IV, as amended by Public Law 93-380, Part C, educational innovation and support: Fiscal Year 1977*

	Estimated State amounts ¹
U.S. and outlying areas	\$172,888,000
50 States, District of Columbia and Puerto Rico	171,178,238
Alabama	2,946,602
Alaska	310,685
Arizona	1,739,836
Arkansas	1,622,103
California	15,985,562
Colorado	2,014,547
Connecticut	2,462,588
Delaware	480,744
Florida	5,608,683
Georgia	4,002,932
Hawaii	686,777
Idaho	660,615
Illinois	9,000,055
Indiana	4,382,294
Iowa	2,341,584
Kansas	1,752,918
Kentucky	2,701,325
Louisiana	3,332,506
Maine	850,298
Maryland	3,391,373
Massachusetts	4,549,083
Michigan	7,734,423
Minnesota	3,316,154
Mississippi	2,034,169
Missouri	3,741,302
Montana	627,911
Nebraska	1,236,199
Nevada	451,311
New Hampshire	647,533
New Jersey	5,821,257
New Mexico	1,010,544
New York	18,853,283
North Carolina	4,235,128
North Dakota	546,152
Ohio	8,784,211
Oklahoma	2,087,440
Oregon	1,716,944
Pennsylvania	9,137,411
Rhode Island	732,563
South Carolina	2,312,151
South Dakota	578,855
Tennessee	3,224,584
Texas	9,706,455
Utah	1,023,625
Vermont	382,633
Virginia	3,861,739
Washington	2,737,299
West Virginia	1,380,096
Wisconsin	3,852,495
Wyoming	291,003
District of Columbia	506,907
Puerto Rico	2,801,293
Outlying areas	1,711,762

¹ Distribution of \$172,888,000 with 1 percent (\$1,711,762) reserved for the areas, BIA and DOD and the remainder distributed on the basis of the May 17 population July 1, 1973 for 50 States, District of Columbia, and April 1, 1970 for Puerto Rico.

TABLE A-3.—COMPARISON OF TOTAL ESTIMATED DISTRIBUTION OF FUNDS UNDER PUBLIC LAW 89-10, AS AMENDED BY PUBLIC LAW 93-380, PTS. B AND C FOR FISCAL YEAR 1977 WITH TOTAL FUNDS AVAILABLE IN FISCAL YEAR 1975 FOR CORRESPONDING CATEGORICAL PROGRAMS

	Total consolidated distribution— Pts. B and C including administration funds ¹	Total categorical funds— Fiscal year 1975 ²	Differences (cols. 1 and 2) (3)
	(3)	(2)	(3)
United States and outlying areas.....	\$310,218,000	\$274,216,250	(+\$36,001,750)
50 States, District of Columbia, and Puerto Rico.....	307,146,535	311,273,519	(+4,126,984)
Alabama.....	5,287,175	4,669,011	618,164
Alaska.....	557,471	1,040,916	(-483,445)
Arizona.....	3,121,839	3,047,434	74,405
Arkansas.....	2,910,587	2,890,866	19,721
California.....	28,683,364	23,138,829	5,550,535
Colorado.....	3,614,761	3,388,685	226,076
Connecticut.....	4,418,694	4,027,259	391,435
Delaware.....	862,613	1,313,711	(-451,098)
Florida.....	10,063,824	8,424,233	1,639,591
Georgia.....	7,182,578	6,061,914	1,120,664
Hawaii.....	1,232,304	1,563,787	(-331,483)
Idaho.....	1,185,360	1,550,141	(-364,781)
Illinois.....	16,149,062	13,266,759	2,882,303
Indiana.....	7,863,279	6,734,080	1,129,199
Iowa.....	4,201,573	3,893,314	308,259
Kansas.....	3,145,312	3,038,622	106,690
Kentucky.....	4,847,066	4,351,009	496,057
Louisiana.....	5,979,613	5,208,725	775,888
Maine.....	1,525,711	1,845,915	(-321,204)
Maryland.....	6,085,240	5,271,334	813,906
Massachusetts.....	8,162,553	6,978,885	1,183,668
Michigan.....	13,878,101	11,507,668	2,370,433
Minnesota.....	5,950,272	5,236,880	713,392
Mississippi.....	3,649,969	3,387,673	262,296
Missouri.....	6,713,128	5,881,243	831,885
Montana.....	1,126,679	1,498,841	(-372,162)
Nebraska.....	2,218,148	2,341,326	(-123,178)
Nevada.....	809,800	1,256,748	(-446,948)
New Hampshire.....	1,161,887	1,530,572	(-368,685)
New Jersey.....	10,445,252	8,637,924	1,807,328
New Mexico.....	1,813,249	2,020,182	(-206,933)
New York.....	24,857,351	20,032,503	4,824,848
North Carolina.....	7,599,214	6,497,411	1,101,803
North Dakota.....	979,976	1,378,824	(-398,848)
Ohio.....	15,761,767	13,109,574	2,652,193
Oklahoma.....	3,655,838	3,532,581	123,257
Oregon.....	3,080,763	2,999,366	81,397
Pennsylvania.....	16,395,524	13,716,534	2,678,990
Rhode Island.....	1,314,459	1,656,309	(-341,850)
South Carolina.....	4,148,760	3,800,665	348,095
South Dakota.....	1,086,657	1,445,128	(-358,471)
Tennessee.....	5,785,965	5,153,529	532,436
Texas.....	17,416,576	14,364,820	3,051,756
Utah.....	1,836,721	2,066,581	(-229,860)
Vermont.....	686,570	1,182,686	(-496,116)
Virginia.....	6,983,061	6,027,932	955,129
Washington.....	4,911,616	4,455,877	455,739
West Virginia.....	2,476,346	2,638,910	(-162,564)
Wisconsin.....	6,912,644	5,964,049	948,595
Wyoming.....	522,263	1,052,349	(-530,086)
District of Columbia.....	909,558	1,372,103	(-462,545)
Puerto Rico.....	5,026,442	1,724,358	3,302,084
Outlying areas.....	3,071,465		

¹ Based on estimated distributions shown in tables A-1 and A-2.

² Includes ESEA II, III, and V and NOEA III. Funds for secs. 807 and 808 not included since no State distribution made.

TABLE A-4.—COMPARISON OF ESTIMATED ADMINISTRATIVE FUNDS UNDER PUBLIC LAW 89-10, TITLE IV, AS AMENDED BY PUBLIC LAW 93-380 FOR FISCAL YEAR 1977 WITH TOTAL ADMINISTRATIVE FUNDS AVAILABLE IN FISCAL YEAR 1975 UNDER CORRESPONDING CATEGORIAL PROGRAMS

	Total consolidated distribution, Pt. C (1)	Pt. C balance (col. 1 minus 2)	Pt. B ¹ distribution (cols. 3 and 4)	Pt. B ¹ and C distribution (cols. 3 and 4)	Administration funds as percent of Rec col. 5 or Rec (highest)		Fiscal year 1975 administration funds (col. 6 and 7) Difference (col. 8)
					(2)	(3)	
\$172,888,000							
United States and outlying areas	171,176,238			\$137,330,000	135,970,297		
50 States, District of Columbia, and Puerto Rico							
Alabama.....	2,946,602	911,857	\$2,034,745	2,340,513	\$4,315,318	\$225,000	\$258,634 (-\$33,634)
Alaska.....	310,685	441,371	(-130,685)	246,786	2,449,709	225,000	213,333 (11,667)
Arizona.....	1,739,836	672,130	1,067,706	1,382,003	2,221,641	225,000	219,113 (5,887)
Arkansas.....	1,622,103	689,946	933,157	1,268,454	2,250,676	217,802	217,802 (7,198)
Colorado.....	1,995,562	3,382,688	12,582,874	12,687,802	2,612,299	1,264,435	1,327,583 (-63,069)
Connecticut.....	2,011,547	3,782,552	1,271,985	1,603,214	2,225,000	227,540	(-2,540)
Delaware.....	2,462,588	825,107	1,637,491	1,936,106	3,593,587	225,000	242,716 (-17,716)
Florida.....	4,861,744	476,169	4,274,181	3,381,869	3,865,444	225,000	213,333 (11,667)
Georgia.....	5,608,683	1,334,502	4,274,181	4,435,141	8,729,322	436,456	468,875 (-32,409)
Hawaii.....	4,020,932	1,058,686	2,904,246	3,179,636	6,063,892	304,195	328,861 (-24,687)
Idaho.....	685,777	507,651	179,126	545,527	724,653	225,000	213,333 (11,667)
Illinois.....	658,615	506,859	153,726	524,745	678,481	225,000	213,333 (11,667)
Indiana.....	9,000,055	1,945,423	7,054,423	7,149,007	14,703,430	710,117	758,948 (-46,816)
Iowa.....	4,322,924	1,165,532	3,186,763	3,480,935	6,637,748	333,837	370,777 (-36,930)
Kansas.....	3,341,384	814,013	1,523,571	1,859,989	3,383,560	225,000	219,625 (5,375)
Kentucky.....	1,752,918	724,003	1,028,910	1,392,394	2,421,304	225,000	219,625 (5,375)
Louisiana.....	2,701,325	859,302	1,842,023	2,145,741	3,987,764	225,000	251,022 (-26,022)
Maine.....	3,332,906	937,061	2,395,445	2,647,107	5,042,552	252,128	278,795 (-26,683)
Maryland.....	850,296	547,630	302,666	675,415	978,081	225,000	213,333 (11,667)
	3,391,373	933,800	2,407,573	2,633,867	5,101,440	225,017	239,491 (-64,419)

Massachusetts	4,549,063	1,166,515	3,392,563	3,613,470	6,996,038	39,801	392,272
Michigan	7,734,423	1,783,777	5,945,646	6,143,673	12,059,324	604,456	(-37,41)
Minnesota	3,315,154	982,689	2,333,345	2,634,118	4,967,463	248,373	(-37,951)
Mississippi	2,034,169	754,634	1,259,535	1,615,800	2,915,335	225,000	(-35,333)
Missouri	3,741,302	1,070,133	2,671,169	2,911,826	5,642,995	225,149	(-1,129)
Montana	627,911	144,501	458,768	623,289	1,023,000	213,333	(-37,498)
Nebraska	1,236,199	605,999	630,200	901,949	1,612,149	225,000	11,667
Nevada	467,533	473,733	(-20,422)	514,359	666,621	225,000	11,667
New Hampshire	5,821,257	1,313,773	4,447,484	4,821,479	9,071,479	492,042	(-34,463)
New Jersey	1,010,544	580,491	443,063	682,706	1,245,768	225,000	11,667
New Mexico	13,853,783	2,786,830	11,116,593	11,004,088	22,151,661	1,106,034	(-65,539)
New York	4,235,123	1,161,153	3,073,375	3,364,986	6,437,461	321,073	(-31,219)
North Carolina	548,152	485,651	650,501	433,824	494,325	225,000	11,667
North Dakota	8,784,211	1,965,373	6,815,834	6,977,556	13,784,394	689,670	(-4,966)
Ohio	2,037,440	752,976	1,244,464	1,614,398	2,862,862	225,000	(-4,582)
Oklahoma	1,716,944	702,291	1,014,653	1,233,819	2,314,472	225,000	6,125
Oregon	9,137,411	1,966,075	7,171,336	7,251,113	14,429,449	721,472	(-54,083)
Pennsylvania	732,963	516,252	215,811	561,856	797,707	225,000	11,667
Rhode Island	2,312,151	799,555	512,596	1,826,619	3,797,205	225,000	(-11,018)
South Carolina	578,855	497,149	417,706	459,802	541,508	225,000	11,667
South Dakota	1,390,196	917,739	1,017,338	1,174,317	2,174,317	225,000	11,667
Tennessee	3,224,594	915,292	2,289,292	2,561,381	4,810,673	760,534	(-36,710)
Texas	9,705,155	2,000,905	7,505,559	7,710,321	15,215,671	761,784	(-35,391)
Utah	1,023,625	580,376	443,049	813,906	1,265,145	225,000	11,667
Vermont	332,633	457,631	(-15,044)	303,937	530,937	225,000	(-24,261)
Virginia	3,891,739	1,069,849	1,801,890	3,091,322	5,833,212	234,650	324,927
Washington	2,737,259	1,917,338	1,819,911	2,174,317	3,594,228	225,000	(-32,216)
West Virginia	1,390,196	650,395	729,711	1,056,250	1,825,961	225,000	215,514
Wisconsin	3,652,955	1,034,689	2,013,806	3,050,149	5,973,955	225,000	(-31,082)
Wyoming	291,963	445,931	(-154,868)	231,200	402,651	420,577	11,667
District of Columbia	506,907	428,981	17,926	2,225,149	4,410,467	225,000	213,333
Puerto Rico	2,801,293	615,975	2,185,318	1,359,703	2,670,440	225,000	2,932
American Samoa							
Canal Zone							
Otutuing Areas							
Virgin Islands							
	1,711,762	401,025	1,359,703	2,670,440	200,000		

Does not include administration funds for NDEA III for Puerto Rico.

1 Based on estimated distribution shown in Table A-2.

2 Based on estimated distribution shown in Table A-1.

TABLE. A-5—COMPARISON OF ESTIMATED DISTRIBUTION OF PROGRAM FUNDS UNDER PUBLIC LAW 89-10, TITLE IV, AS AMENDED BY PUBLIC LAW 93-389 FOR PT. B, LIBRARIES AND LEARNING RESOURCES FOR FISCAL YEAR 1977 WITH FUNDS AVAILABLE IN FISCAL YEAR 1975 FOR CORRESPONDING CATEGORICAL PROGRAMS

	Administration funds (prorate share) ¹	Fiscal year 1975 programs funds (ESEA II, NDEA III)	Difference (cols. 2 and 3)	Estimated distribution of \$18,000,000 of guidance and counseling funds in cols. 1 and 2	
	(1)	(2)	(3)	(4)	(5)
Alabama.....	\$120,364	\$2,220,209	\$1,887,365	\$332,844	\$296,644
Alaska.....	225,000	21,786	138,563	(-116,777)	34,006
Arizona.....	126,934	1,255,069	1,182,837	72,232	168,408
Arkansas.....	130,493	1,157,991	1,041,305	116,686	167,642
California.....	638,890	12,058,912	9,878,779	2,180,133	1,754,276
Colorado.....	125,356	1,474,858	1,298,638	176,220	198,948
Connecticut.....	122,474	1,833,632	1,555,093	278,539	253,948
Delaware.....	222,336	159,533	279,990	(-120,157)	52,908
Florida.....	222,757	4,232,384	3,497,747	*734,697	573,036
Georgia.....	158,983	3,020,663	2,497,696	522,967	396,088
Hawaii.....	169,383	376,144	394,282	(-18,138)	12,576
Idaho.....	174,020	350,725	402,755	(-52,030)	68,640
Illinois.....	357,451	6,792,556	5,680,264	1,111,292	968,772
Indiana.....	174,056	3,306,929	2,814,404	492,525	440,254
Iowa.....	123,686	1,736,303	1,511,343	224,960	241,290
Kansas.....	129,388	1,263,006	1,070,715	192,291	186,464
Kentucky.....	121,068	2,024,673	1,729,718	294,955	275,438
Louisiana.....	132,356	2,514,751	2,210,737	304,014	325,060
Maine.....	155,374	520,041	550,968	(-30,927)	89,204
Maryland.....	118,852	2,575,015	2,149,969	425,046	339,430
Massachusetts.....	180,673	3,432,797	2,874,641	558,156	468,902
Michigan.....	307,184	5,836,494	5,034,773	801,721	816,402
Minnesota.....	131,706	2,502,412	2,184,531	317,881	329,570
Mississippi.....	124,704	1,491,096	1,329,951	161,145	197,318
Missouri.....	150,171	2,821,655	2,403,387	418,268	386,448
Montana.....	180,055	318,713	372,115	(-53,402)	65,598
Nebraska.....	137,046	844,903	774,369	70,534	129,680
Nevada.....	225,000	133,489	247,005	(-113,516)	48,934
New Hampshire.....	173,606	340,748	391,054	(-50,306)	68,440
New Jersey.....	231,200	4,392,795	3,560,756	832,039	603,894
New Mexico.....	144,978	657,727	650,294	7,433	99,500
New York.....	550,204	10,453,864	8,404,291	2,049,573	1,559,850
North Carolina.....	168,204	3,195,882	2,688,426	507,456	428,380
North Dakota.....	197,462	236,362	306,941	(-70,579)	58,868
Ohio.....	348,878	6,628,678	5,719,902	908,776	949,530
Oklahoma.....	127,194	1,491,204	1,336,379	154,825	214,248
Oregon.....	129,015	1,234,804	1,073,487	161,317	179,692
Pennsylvania.....	362,905	6,095,208	5,907,388	987,620	1,022,246
Rhode Island.....	164,129	417,757	430,391	(-12,624)	81,544
South Carolina.....	123,384	1,713,225	1,500,346	212,879	229,928
South Dakota.....	191,051	268,751	344,880	(-76,129)	62,192
Tennessee.....	128,069	2,433,312	2,092,363	340,949	333,116
Texas.....	385,506	7,324,615	6,342,253	982,362	1,030,188
Utah.....	135,641	667,455	672,662	(-5,207)	102,054
Vermont.....	225,000	78,937	217,111	(-138,174)	43,214
Virginia.....	154,566	2,935,756	2,494,188	442,568	392,202
Washington.....	122,482	2,051,835	1,757,923	293,912	281,930
West Virginia.....	135,083	961,167	924,572	36,595	148,622
Wisconsin.....	153,008	2,907,141	2,520,348	386,793	382,820
Wyoming.....	225,000	6,200	149,183	(-142,983)	34,048
District of Columbia.....	215,410	187,241	281,243	(-94,002)	62,038
Puerto Rico.....	113,516	2,111,633	1,440,358	671,275	254,396
Outlying areas.....	101,834				
Total increase.....				18,764,283	
Total decrease.....				1,094,951	
Total.....				17,669,332	

¹ Ratio of B to sum of B and C times administration funds for title IV. See table A-4, cols. 4, 5, and 6.

² Based on pt. B distribution in table A-1, less col. 1 of this table.

³ NDEA III funds not included for Puerto Rico.

TABLE A-6.—COMPARISON OF ESTIMATED DISTRIBUTION OF PROGRAMS FUNDS UNDER PUBLIC LAW 89-10,
TITLE IV, AS AMENDED BY PUBLIC LAW 93-380, FOR PT. C. INNOVATION AND SUPPORT SERVICES FOR FISCAL
YEAR 1977 WITH FUNDS AVAILABLE IN FISCAL YEAR 1975 FOR CORRESPONDING CATEGORICAL PROGRAMS

	Administration funds (pro rata share) ¹	Program funds ²	Fiscal year 1975 program funds (ESEA III) ³ (cols. 2 and 3)	Difference
	(1)	(2)	(3)	(4)
Alabama	\$104,636	\$1,930,109	\$1,858,662	\$71,247
Alaska	0	0	301,694	(-301,694)
Arizona	104,434	963,272	1,127,850	(-164,578)
Arkansas	94,507	838,650	1,123,489	(-284,839)
California	629,644	11,963,230	9,470,378	2,492,852
Colorado	99,644	1,172,351	1,301,951	129,600
Connecticut	102,525	1,534,956	1,615,468	(-80,512)
Delaware	1,265	1,911	469,436	(-467,525)
Florida	213,709	4,060,472	3,434,441	626,031
Georgia	185,212	2,759,034	2,423,735	335,299
Hawaii	55,617	123,509	581,565	(-458,056)
Idaho	50,979	102,747	559,132	(-456,385)
Illinois	352,721	6,701,702	5,400,513	1,301,189
Indiana	159,831	3,036,932	2,677,506	359,426
Iowa	101,314	1,422,257	1,543,313	(-121,056)
Kansas	95,612	933,298	1,230,778	(-297,480)
Kentucky	103,932	1,738,091	1,737,976	115
Louisiana	119,772	2,275,673	2,020,849	254,824
Maine	69,626	233,040	576,356	(-443,316)
Maryland	106,220	2,301,353	2,102,768	198,585
Massachusetts	169,128	3,213,440	2,840,818	372,622
Michigan	297,282	5,648,364	4,497,089	1,511,275
Minnesota	116,667	2,216,678	2,046,560	170,116
Mississippi	100,296	1,199,239	1,292,652	(-93,413)
Missouri	134,978	2,536,191	2,370,789	165,402
Montana	44,945	79,556	541,792	(-462,236)
Nebraska	87,954	542,246	907,087	(-364,841)
Nevada	51,151	0	6446,786	(-446,786)
New Hampshire		100,873	557,989	(-457,116)
New Jersey	227,374	4,225,140	3,568,827	656,283
New Mexico	80,022	363,041	735,034	(-371,993)
New York	555,830	10,560,763	8,439,371	2,121,383
North Carolina	153,669	2,919,706	2,609,816	309,891
North Dakota	27,538	32,963	485,415	(-452,452)
Ohio	340,792	6,475,046	5,203,022	1,272,024
Oklahoma	97,806	1,146,658	1,389,157	(-242,499)
Oregon	95,985	918,668	1,192,168	(-273,501)
Pennsylvania	358,567	6,812,769	5,588,620	1,224,149
Rhode Island	60,871	154,940	632,683	(-477,743)
South Carolina	101,616	1,410,880	1,478,547	(-67,667)
South Dakota	33,949	47,757	522,376	(-474,619)
Tennessee	112,465	2,136,827	2,066,762	70,065
Texas	375,278	7,130,272	5,630,700	1,499,572
Utah	79,359	363,890	749,611	(-385,921)
Vermont	0	0	414,186	(-414,186)
Virginia	140,094	661,796	2,673,586	(-1,117,790)
Washington	102,518	1,717,393	1,774,986	(-57,993)
West Virginia	89,917	639,794	1,015,073	(-375,279)
Wisconsin	140,690	2,673,116	2,350,110	323,006
Wyoming	0	0	361,937	(-361,937)
District of Columbia	9,590	8,336	521,494	(-513,158)
Puerto Rico	111,484	2,073,734	1,618,025	455,809
Outlying areas	98,166			

Total increases 7,932,192

Total decreases 9,379,671

¹ Ratio of C to sum of B plus C times total administration funds for title IV. See table A-4, cols. 3, 5, and 6.

² Based on Pt. C distribution in table A-2, less col. 1 of this table.

³ Includes sec. 306 funds. Nutrition, health, and dropout funds not included.

APPENDIX 1

LETTERS SUPPORTING A HOLD HARMLESS OR SIMILAR SOLUTION

STATE OF ALABAMA,
DEPARTMENT OF EDUCATION,
Montgomery, Ala., April 3, 1975.

DR. KENNETH H. HANSEN,

*Superintendent of Public Instruction, State Department of Public Instruction,
Carson City, Nev.*

DEAR DR. HANSEN: Thank you for your letter of March 10 regarding the fund distribution problems created by Title IV of Public Law 93-380. Our position concerning all formulas has always been that we will support any formula that treats all states fair and equitable. We feel that the "hold harmless" provision you propose meets this criteria. We lend our support to your proposal.

If we can be of assistance please let us know.

Sincerely yours,

LEROY BROWN,
State Superintendent of Education.

STATE OF ALASKA,
DEPARTMENT OF EDUCATION,
Juneau, April 8, 1975.

KENNETH H. HANSEN,

Superintendent of Public Instruction.

Office of the Superintendent, Carson City, Nev.

DEAR MR. HANSEN: I was pleased to receive your letter of March 10, 1975 regarding the establishment of a "hold harmless" clause in Title IV, P.L. 93-380 for FY-75. We are in full support of the concept and will do every thing we can to assist in its passage. I have enclosed a copy of a letter which was sent to our congressional delegation in February regarding this very item.

I appreciate your keeping me informed of your efforts.

Sincerely,

MARSHALL L. LIND,
Commissioner of Education.

Enclosure.

FEBRUARY 21, 1975.

HON. TED STEVENS,

U.S. Senator,

Washington, D.C.

DEAR SENATOR STEVENS: Enclosed are various tables and correspondence relating to the implementation of the Education Amendments of 1974 (P.L. 93-380). All of the enclosures point out that Alaska will receive a considerable cut in funding under Title IV, P.L. 93-380 during the forthcoming fiscal years of 1976 and 1977.

It is our interpretation that under the provisions presented, the state would lose about \$56,000 Title IV funds in FY-1976. As you know, P.L. 93-380 consolidated various programs of the Elementary and Secondary Education Act of 1965, including education innovation and support, strengthening of state departments of education, support for libraries, and minor remodeling and equipment. The fiscal picture for FY-1977 is even more grim, with a total of \$483,000 being lost under the present formula.

As a State Department of Education, we did not oppose the consolidation measures incorporated in P.L. 93-380. But we were under the impression that the "hold harmless" provisions described in the Conference Report indicated a desire by the Congress to make certain no state would be cut from these funds with any great handicap being imposed.

My purpose in addressing this to you is to simply ask for an amendment to the existing legislation establishing a "floor" for the small population states which would also establish what we believe was the intent of Congress in the consolidation process.

This particular cut at this time would severely cripple many programs in local school districts. Through Title V, ESEA, we have been able to employ specialists to engage in long-range planning for Alaska's future education policies. Through Title III, ESEA, we have been able to fund and supervise various education innovative programs that would have been simply impossible otherwise.

The figure quoted for Fiscal 1977 would amount to a 50 percent reduction in our federal assistance for programs included in the consolidation, over what we are presently allocated. This would be a big step backward in federal aid to education, and Alaska would suffer more than other states.

If our office can be of assistance to you in drafting remedial legislation to overcome this serious error in intent, please contact us.

Sincerely,

MARSHALL L. LIND,

Commissioner of Education.

ARIZONA DEPARTMENT OF EDUCATION,
Phoenix, Ariz., June 2, 1975.

HON. KENNETH H. HANSEN,

*Superintendent of Public Instruction, State Department of Education,
Carson City, Nev.*

DEAR MR. HANSEN: I agree with your position and support your contention that the intent of Congress is not being met by the current attempts to implement Public Law 93-380. Making the transition from one ESEA program to another is difficult enough, recognizing both state staffing and local project funding implications, without having the additional burden of greatly reduced funding.

Let us hope that Congress recognizes its responsibilities in helping the states implement the changes it has mandated. Many more requirements have been extended to the states through P.L. 93-380, and these requirements apply equally to all states, those who are getting more and those who are getting less money. It is hardly fair for Congress to ask for more programs for less money, particularly in today's money market.

I hope you are successful in bringing about the justifiable changes in legislation.

Sincerely,

MRS. RONALD H. WARNER,

Superintendent.

STATE OF CALIFORNIA,
DEPARTMENT OF EDUCATION,
Sacramento, Calif., March 29, 1975.

DR. KENNETH H. HANSEN,

*Superintendent of Public Instruction, Nevada State Department of Education,
Carson City, Nev.*

DEAR KEY: A number of persons from other states have mentioned the funding problems for states under the new ESEA, Title IV consolidation. I have asked my staff to review the matter and they have reported that for 1977 the problem is much greater than for next year. It is my understanding that five states would be adversely affected in fiscal year 1976.

You have proposed amending the law to include a hold harmless at 1974 levels for all states with a distribution of new funds according to the new formula.

I don't believe the climate in Washington today is appropriate to reopen the question of a change in the formula for this program. I am hopeful, however, that the general economic situation will improve and that at an appropriate time we can look at alternatives for FY-1977. I would hope that it might be possible to meet the FY-1977 problem by an increased appropriation rather than arbitrarily moving states to hold harmless levels. I have asked my staff to continue to work on this problem and to be prepared to offer some suggestions in the near future.

I want to thank you for your letter and material and look forward to seeing you again in the near future.

Sincerely,

WILSON-RULES.

COLORADO DEPARTMENT OF EDUCATION,
Denver, Colo., June 6, 1975.

Mr. JOHN C. PITTINGER,

Chairman, Council of Chief State School Officers, Legislative Committee, Washington, D.C.

DEAR JOHN: We concur that it was not the intent of Congress that certain states would suffer a net loss as a result of the consolidation that occurred under the provisions of P.L. 93-380. Thus, we support the contention that oversight hearings should be conducted by the Congress and that positive amendments should be prepared in order to address the problems of those states which are not receiving fair treatment under the provisions of P.L. 93-380.

We will communicate our concern on this issue to the members of the Colorado congressional delegation and urge their support of legislation which hopefully will be introduced to adjust these inequities.

Sincerely,

CALVIN M. FRAZIER,
Commissioner of Education.

STATE OF DELAWARE,
DEPARTMENT OF PUBLIC INSTRUCTION,
Dover, Del., March 18, 1975.

Hon. KENNETH H. HANSEN,

Superintendent of Public Instruction, State Department of Public Instruction, Carson City, Nev.

DEAR KEN: The fund distribution problems created by Title IV, P.L. 93-380, are troublesome to us, and we have already communicated our concerns to our Congressional delegation. We have suggested the "hold harmless" procedure to them. I am willing to expend whatever effort is necessary to support a "hold harmless" move and will follow your suggestions in this regard. Please feel free to use this letter in any way you decide as support for a change in the law to bring about a more equitable distribution of funds.

I will await your call.

Very truly yours,

KENNETH C. MADDEN,
State Superintendent.

STATE OF FLORIDA,
DEPARTMENT OF EDUCATION,
Tallahassee, Fla., March 26, 1975.

DR. KENNETH H. HANSEN

Superintendent of Public Instruction, Carson City, Nev.

DEAR KEN: Thank you for your recent letter concerning the fund distribution problems created by Title IV, P.L. 93-380. We are currently reviewing the impact of proposed allocation-formula changes. I agree with you that the "hold harmless" procedure is not the most desirable approach to saving services, especially if the results do not provide equitable distribution of benefits to eligible recipients.

I can assure you that I will give this matter the appropriate attention.

Sincerely,

RALPH D. TURLINGTON.

[Telegram]

KENNETH H. HANSEN,

Superintendent of Public Instruction, State of Nevada, Carson City.

DEAR KEN: Regret that due to press of developing policy role for new State Board of Education which has not as yet considered the matter of hold harmless with regard to PL 93-380, I must remain neutral on its advisability at this time.

JOSEPH H. CRONIN.

1-111

STATE OF INDIANA,
 DEPARTMENT OF PUBLIC INSTRUCTION,
 Indianapolis, Ind., June 2, 1975.

Hon. KENNETH H. HANSEN,
Superintendent of Public Instruction, State Department of Education, Carson City, Nev.

DEAR SUPERINTENDENT HANSEN: This letter is in reply to your correspondence of May 22, dealing with the formula program created in Title IV, P.L. 93-380. I agree with you on the congressional intent envisioned for Title IV. Congress, in my opinion, did not desire to severely cut the funding for any state in the consolidated programs. Also, I agree with you that the Congress must find an acceptable solution to the problem caused to several of the states by their action.

However, a hold-harmless provision at the FY 1974 level would not be an acceptable solution for Indiana. The state of Indiana gained some additional funds by the new provision. This gain reflects a real need in our state for increased support in these program areas. It is my understanding that a hold-harmless provision at the FY 1974 level would negate the gains Indiana made under the new Title IV.

Some questions have arisen as to the hold-harmless provision for FY 1975. How much financial assistance would Indiana lose by such a provision? Would this FY 1975 hold-harmless provision allow "losing" states an adequate level of appropriations? Again, Indiana educational needs in these areas have risen and any increase in Federal support is beneficial. However, if a hold-harmless provision for FY 1973 would not significantly diminish our allocation, and would provide other states an acceptable solution, then it might provide the proper alternative.

A more attractive alternative which I favor, would be a supplemental appropriations bill that would provide the "losing" states with a base level from which to operate. While Congress would not intend to severely inhibit program performance in any state, they did, in my opinion, attempt to increase Federal support in areas of expanding need. Therefore, given the dilemma Congress has created, it appears an increased appropriation for Title IV is the more effective way of solving this problem for all these states.

Yours truly,

HAROLD H. NEGLEY,
*State Superintendent
 of Public Instruction.*

COMMONWEALTH OF KENTUCKY,
 DEPARTMENT OF EDUCATION,
 Frankfort, Ky., May 30, 1975.

HON. KENNETH H. HANSEN,
*Superintendent of Public Instruction,
 State Department of Education,
 Carson City, Nev.*

DEAR KENNETH: We in Kentucky are very concerned about the problem created by the Title IV, P.L. 93-380 formula for the less populous states.

As you participate in the oversight hearings on P.L. 93-380 regarding the formula problem on consolidation, we hope that a more satisfactory arrangement can be worked out. Kentucky would heartily support a proposal for allowing the Title IV, P.L. 93-380 formula to operate as legislated and providing an additional appropriation be made assuring the "losing" states a 90% level of FY 1975 appropriation under categorical programs.

Thank you for your attention and efforts on this matter.

Sincerely yours,

LYMAN V. GINGER,
Superintendent of Public Instruction.

STATE OF LOUISIANA,
DEPARTMENT OF EDUCATION,
Baton Rouge, La., April 14, 1975.

HON. KENNETH H. HANSEN,
Superintendent of Public Instruction,
Nevada State Department of Education,
Carson City, Nev.

DEAR KEN: This is in response to your letter of March 10, 1975, concerning the fund distribution problems created by Title IV of Public Law 93-380, Consolidation of Certain Education Programs. Proposed in your letter is a "hold harmless" at FY 1974 level with per capita, ages 5-17) distribution of "new" funds.

This proposal would appear to be an equitable alternative for the distribution of Title IV funds. However, with the hesitancy of Congress to amend P.L. 93-380 and since the official allocation tables have already been distributed by the U.S. Office of Education, our most viable approach at this time might be to secure a supplemental appropriation for those states suffering financial decreases under the consolidation package.

I certainly agree that Congress did not intend for this to happen, and I am certain that the situation will be rectified in the near future.

We are appreciative and supportive of your present situation and will do all within our capacity to see that none of the states are unjustly treated by the new legislation.

Sincerely yours,

Louis J. Michot,
*State Superintendent
of Public Education.*

MARYLAND STATE DEPARTMENT OF EDUCATION,
Baltimore, Md., April 3, 1975.

HON. KENNETH H. HANSEN,
Superintendent of Public Instruction,
Carson City, Nev.

DEAR KEN: I recognize the problem created for the states with small populations as a result of Title IV of P.L. 93-380, Consolidation of Certain Education Programs.

Equity requires that some sort of "hold harmless" approach be taken on this matter. We should make an effort to enact corrective legislation which will accommodate such states as Nevada. You can count on my lending support.

Sincerely yours,

JAMES A. SENSENBAUGH,
State Superintendent of Schools.

THE COMMONWEALTH OF MASSACHUSETTS,
DEPARTMENT OF EDUCATION,
Boston, Mass., April 28, 1975.

DR. KENNETH H. HANSEN,
Superintendent of Public Instruction, Office of the Superintendent of Public Instruction, Carson City, Nev.

DEAR KEN: I hope that you will excuse the delay in getting back to you. Issues relating to Boston and State resources for the administration of the Department have been very time consuming.

I am well aware of the problems for the several states regarding the distribution of funds under Title IV, P.L. 93-380. I will be meeting this month with members of the CCSSO at which time I will surface your concerns and will assist in the identification of strategies that will provide for a more equitable distribution of funds.

Sincerely,

GREGORY R. ANRIG,
Commissioner of Education.

STATE OF MICHIGAN,
DEPARTMENT OF EDUCATION,
Lansing, Mich., March 18, 1975.

HON. KENNETH H. HANSEN,
*Superintendent of Public Instruction, Office of the Superintendent of Public
Instruction, Carson City, Nev.*

DEAR KEN: I have reviewed your letter and memo of March 10 and presented it to the Board of Directors of the Chief State School Officers on Sunday and Monday at our quarterly meeting.

The consensus of the Board was to support the "hold harmless" procedure. As you undoubtedly know, this means that Michigan would not receive \$699,113 under this provision. However, I think it is the appropriate action to take, and I am pleased to support my sister State of Nevada.

Sincerely,

JOHN W. PORTER.

STATE OF MINNESOTA,
DEPARTMENT OF EDUCATION,
St. Paul, Minn., May 27, 1975.

KENNETH H. HANSEN,
*Superintendent, Office of the Superintendent of Public Instruction, Carson City,
Nev.*

DEAR KEN: Thank you for your correspondence in regard to the effect of the distribution formula on the smaller states under Title IV of P.L. 93-380. I share your concern about this problem.

Congressional action through Sec. 401(a)(2)(A)(ii) and Sec. 401(b)(2)(A)- (ii) was designed to assure that states receive an allocation not less than was received in FY74. Since the Act did not further prescribe the distribution between states, the current formula does not appear to create some inequity among the states with the smaller jurisdictions receiving considerably smaller allocations than in FY74.

It is not my desire that Minnesota or any other state receive additional monies at the expense of the smaller states. I have already informed my congressional delegation of my feelings in this matter, and support either your suggestions or any other appropriate action which will remedy this problem.

If I can be of further assistance to you in this matter, please do not hesitate to call on me.

Sincerely,

HOWARD B. CASMET,
Commissioner of Education.

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION,
Jefferson City, Mo., March 31, 1975.

HON. KENNETH H. HANSEN,
*Superintendent of Public Instruction, State Department of Public Instruction,
Carson City, Nev.*

DEAR KEN: In your letter of March 10 you mention the "hold harmless" clause in the new P.L. 93-380 legislation.

Are the formulas already a matter of law, and has the money been allocated? What would it be possible for us to do regarding the distribution problem?

If there is something that we in Missouri can do to see to it that there is equitable treatment for all, I will be pleased to take a swing at it.

How are things going for you? Best personal wishes to you, Ken.

Sincerely yours,

ARTHUR L. MALLOT,
Commissioner.

STATE OF MONTANA,
 SUPERINTENDENT OF PUBLIC INSTRUCTION,
Helena, Mont., May 30, 1975.

Hon. KENNETH H. HANSEN,
Superintendent of Public Instruction, State of Nevada,
Carson City, Nev.

DEAR SUPERINTENDENT HANSEN: In response to your letter of May 22 concerning the formula problem pertaining to Title IV, P.L. 93-380, enclosed is a copy of a letter I forwarded to Representative Carl D. Perkins on this subject. As you will note, copies of the letter were sent to Dr. Byron Hansford and members of Montana's congressional delegation. The letter is self-explanatory.

I trust the letter to Representative Perkins may be helpful to you in connection with the oversight hearings.

If I can be of additional assistance, please let me know.
 Sincerely,

DOLORES COLBURG.
State Superintendent.

Enclosure.

APRIL 10, 1975.

Hon. CARL D. PERKINS,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE PERKINS: Since I am a member both of the Board of Directors and the Committee on Legislation of the Council of Chief State School Officers and represent one of the 18 states that will lose substantial funding for educational innovation and support in the 1977 and ensuing fiscal years, I am writing to urge you and your colleagues on the House Committee on Education and Labor to support an amendment to the present law, Public Law 93-380, which would assure the allocation of funds for all states at levels least equal to those formerly provided in Title III and Title V of ESEA respectively.

I believe you and your colleagues are aware that when Public Law 93-380 was being considered in conference last year, chief state school officers and others had the impression that there was an intent to assure that no state would lose funds under the new formula.

The problem arises from the fact that the floor provisions contained in the apportionment formula for Title III, ESEA 20 U.S.C.A. 842(a)(2) and in the apportionment formula for Title V, ESEA 20 U.S.C.A. 862(a)(1) are omitted from the apportionment formulae for Parts B and C of Public Law 93-380 20 U.S.C.A. 1802(a)(2). Thus, when the apportionment formulae for Parts B and C of Public Law 93-380 are fully applied in fiscal year 1977, Montana will receive about \$350,000 less than under the present formulae for Titles III and V of ESEA.

The estimated loss to Montana for the 1977 fiscal year represents approximately 36 percent of the funds Montana expects to receive in the current fiscal year for the operation of the present ESEA III and ESEA V programs. I understand that the other 17 states may expect losses ranging from \$120,000 to \$500,000.

In view of the fact that most of the potential losses occur in states which, like Montana, are sparsely populated and have large numbers of school districts, the losses would make it most difficult for these state educational agencies to operate effective Title IV-C programs.

The states not affected by the losses have indicated their support for the restoration of floor provisions in Public Law 93-380 to assure that the 18 states will receive funding levels comparable to those which prevailed in the past. Therefore, I urge you and your colleagues of the House Education and Labor Committee to initiate an amendment to the existing law that will rectify the present situation. If you need additional information about this problem or if I can be of assistance in another way, please let me know.

In closing may I thank you and your colleagues for the many good features contained in Public Law 93-380. The new law will assist the states and school districts to provide several new programs and deliver services to the country's young people in more effective ways.

Sincerely,

DOLORES COLBURG.
State Superintendent.

STATE OF NEW HAMPSHIRE,
 DEPARTMENT OF EDUCATION,
 Concord, N.H., March 24, 1975.

Mr. KENNETH H. HANSEN,
Superintendent of Public Instruction,
Carson City, Nev.

DEAR KEN: I support whole heartedly your position as stated in your letter dated March 10, 1975.

We do stand to lose an amount approximately \$450,000. This would create real problems for us and we have so indicated to our Congressional delegation. They are in sympathy with our position and have assured me of their assistance.

Looking forward to seeing you in New Hampshire this summer.

Sincerely,

Dr. NEWELL J. PAIRE,
Commissioner of Education.

STATE OF NEW JERSEY,
 DEPARTMENT OF EDUCATION,
 Trenton, N.J., March 21, 1975.

Hon. KENNETH H. HANSEN,
Superintendent of Public Instruction,
State Department of Education,
Carson City, Nev.

DEAR KEN: Unfortunately, I didn't receive your letter before leaving for Washington for the Board meeting but, as you can well imagine, I am most supportive of your positions and indicated as much to my colleagues. In fact, I agreed to phone Joe Nyquist in New York to see if we can bring him along on this because, as you know, he doesn't agree completely with the description of the situation provided by you.

Sincerely,

FRED G. BURKE,
Commissioner.

STATE OF NEW MEXICO,
 DEPARTMENT OF EDUCATION,
 Santa Fe, N.M., April 15, 1975.

KENNETH H. HANSEN,
Superintendent of Public Instruction, Nevada State Department of Education,
Carson City, Nev.

DEAR KEN: I appreciate the leadership you are taking in our mutual problem concerning the funding of Title IV. I agree with you that a hold harmless at FY 74 level may be our best push. We are still examining alternatives however. We have requested tables from Virginia Trotter and the Center for Educational Statistics through Senator Montoya. Enclosed is our letter to the Senator along with a draft letter requesting tables. Also enclosed is a response from Chris Cross to Representative Manual Lujan's staff. Another alternative was suggested to Letitia Chambers by Al Alford. He thinks a hold harmless at FY 75 might have a better chance. Of course, that is less money. I'm not sure that would be any easier to secure than the '74 figure.

I'll send you the tables as soon as they are available. I appreciate your sending the tables and materials you have developed.

Sincerely,

LEONARD J. DE LAYO,
Superintendent of Public Instruction.

Enclosure.

[Telefax]

MAY 30, 1975.

Mr. JAMES P. COSTA,
Federal Liaison, State Department of Education,
Carson City, Nev.

In response to Dr. Hansen's letter of May 22, suggest amendment to Title IV formula similar to that in Public Law 93-380, Sec. 101(a)(10), so-called Bayh Amendment, which would read similar to the following: "There is authorized to be appropriated for each fiscal year a sum not to exceed \$—— to be allocated

at the discretion of the Commissioner to assist those state education agencies whose total allocation under Part C of Title IV of the Elementary and Secondary Education Act is 90 percentum or less than such allocation under such Part C during the preceding fiscal year." This separate authorization should not affect the estimated allocations available at the present time, except for those States eligible under this amendment.

EWALD B. NYQUIST,
NYS Commissioner of Education

THE UNIVERSITY OF THE STATE OF NEW YORK,
THE STATE EDUCATION DEPARTMENT,
Albany, N.Y., April 7, 1975.

Hon. KENNETH H. HANSEN,
Superintendent of Public Instruction,
State Department of Education, Carson City, Nev.

DEAR KEN: Thank you for your letter, note and tables of March 11. Not to be "out tabled," I am enclosing a table which I would like to bring to your attention. This table provides a checklist of the losers under Title I and the losers under Title IV. Under each of these, we find 18 States are represented and only in the case of four States and the District of Columbia is there a coincidence in which there was a loss under both Title I and Title IV.

I wish that New York were "being done in" as Nevada is by P.L. 93-380. In terms of Federal cash flow to our local districts for educational purposes of various sorts, I cannot see where the States that may feel a small negative reduction under Title IV have great concern when you note the large gains that are accruing under Title I. Maybe it means that those who lost under Title IV will have to be more innovative with their Title I monies.

I guess the next time that I see you standing between the North and the South in your "middle-of-the-road stance," I will step over and join you and maybe share in the riches of those from the middle of the road.

I do think that beyond the question of formulas we all should have strong concerns about how the regulations and guidelines that are being promulgated—particularly on Title IV consolidation and the handicapped—will have a severe negative impact on more effective administration of these programs and the sheer burden that will be put on us by reporting requirements.

Faithfully yours,

EWALD B. NYQUIST.

Enclosure.

PART A—LEA MONEYS ONLY (PERCENTAGE INCREASE—FISCAL YEAR 1974 TOTAL
VERSUS FISCAL YEAR 1975 TOTAL: 9 PERCENT)

State	Losers checklist		Fiscal year—			
	Title I	Title IV	1974	1975	Difference	
Alabama			\$34,549,166	\$40,339,739	\$5,790,573	14
Alaska	X		2,898,078	3,225,765	327,687	10
Arizona		8,221,331	13,383,262	5,161,631	39	
Arkansas			20,963,618	22,990,111	2,026,493	9
California	X		121,348,148	128,062,203	6,714,055	5
Colorado			10,933,510	13,504,183	2,570,673	19
Connecticut	X		14,097,517	13,831,739	-265,778	-2
Delaware		X	2,323,748	3,995,756	1,672,008	42
Florida			25,292,847	47,824,074	22,531,227	47
Georgia	X		40,573,812	44,014,035	3,440,223	8
Hawaii		X	4,106,552	4,632,480	585,928	12
Idaho		X	2,719,220	3,693,052	973,832	26
Illinois	X		77,364,803	84,060,765	6,695,962	8
Indiana			18,773,439	21,072,822	2,299,383	11
Iowa	X		14,601,661	14,661,224	59,563	1
Kansas			9,681,973	11,747,773	2,115,800	18
Kentucky	X		32,212,788	31,939,341	-273,447	-1
Louisiana			31,322,489	47,145,448	15,822,999	34
Maine	X	X	5,641,269	5,727,207	85,938	2
Maryland			22,681,512	26,786,951	4,105,439	15.

PART A—LEA MONEYS ONLY (PERCENTAGE INCREASE—FISCAL YEAR 1974 TOTAL VERSUS FISCAL YEAR 1975 TOTAL: 9 PERCENT)—Continued

State	Losers checklist		Fiscal year—		Difference	Percent
	Title I	Title IV	1974	1975		
Massachusetts	X		28,106,284	30,202,790	2,196,506	7
Michigan	X		58,812,933	63,845,083	4,832,090	8
Minnesota			20,857,155	25,155,468	4,288,313	17
Mississippi	X		35,922,628	38,843,845	2,621,217	7
Missouri			23,357,302	28,643,389	5,276,087	18
Montana	X		2,865,542	4,500,975	1,635,433	36
Nebraska	X		7,187,530	8,337,465	1,149,935	14
Nevada	X		1,108,679	1,913,315	804,636	42
New Hampshire	X		2,273,895	2,743,951	470,056	17
New Jersey	X		52,803,906	47,673,165	-5,230,741	-10
New Mexico		X	7,393,185	12,028,757	4,735,572	39
New York	X		\$18,024,439	191,886,701	-26,157,738	-12
North Carolina	X		51,556,663	47,964,045	-3,592,618	-7
North Dakota	X	X	4,101,267	4,377,310	276,043	6
Ohio			45,280,413	50,025,141	4,744,728	9
Oklahoma			16,649,248	18,588,708	1,937,482	10
Oregon			8,709,633	13,065,339	4,355,706	33
Pennsylvania			69,645,082	78,521,519	8,876,437	11
Rhode Island		X	5,032,119	5,852,170	820,051	14
South Carolina	X		29,853,231	30,882,029	1,028,798	3
South Dakota	X	X	5,470,551	5,677,625	207,074	4
Tennessee			31,273,191	36,592,586	5,319,395	15
Texas			67,875,754	94,397,530	26,721,776	28
Utah	X		4,452,187	4,089,990	627,803	12
Vermont		X	2,093,957	2,793,655	699,698	25
Virginia			31,522,692	35,348,213	3,823,521	11
Washington			15,134,927	18,740,912	3,605,985	19
West Virginia	X	X	17,318,813	16,348,525	-971,288	-6
Wisconsin			18,703,454	24,647,752	5,938,296	24
Wyoming			1,186,384	2,049,328	862,944	42
District of Columbia	X	X	11,194,811	9,670,073	-1,524,738	-14
Total			18	18		

Note: 7 losers.

THE STATE OF NORTH DAKOTA,
DEPARTMENT OF PUBLIC INSTRUCTION,
Bismarck, N. Dak., March 25, 1975.

KENNETH H. HANSEN,
Superintendent of Public Instruction, State Department of Education, Carson
City, Nev.

DEAR MR. HANSEN: After extensive review of the fund distribution formulas under Title IV, P.L. 93-380, we in the Department of Public Instruction of the State of North Dakota are concerned with the financial effects of this legislation. Even though we do not feel that Congress intended that money be shifted from small states to the larger ones, this is precisely the effect of P.L. 93-380.

In the case of North Dakota we have compared the total amount of funds for which we were eligible in FY 1975 under the categorical programs with our estimated allocation for FY 1977 under the consolidation in P.L. 93-380. There is a reduction of \$398,848 according to tables developed by the U.S. Office of Education. The greatest effect of this reduction of available funding would, according to our understanding of the regulation, make less money available to local schools for programs.

We support a "hold harmless" provision at the FY 1973 or 1974 level, whichever is higher, with per capita (ages 5-17) distribution of "new" funds accruing to the separate consolidated parts. This would assure continuance of all programs in this and all other states and, at the same time, provide funds for expansion of programs in the larger states.

We urge your support for this type of procedure. We don't feel that it was the intent of Congress that this reduction of available funds should occur.

Sincerely yours,

LOWELL L. JENSEN,
Assistant Superintendent for Instruction.

STATE DEPARTMENT OF EDUCATION,
Oklahoma City, Okla., March 21, 1975.

HON. KENNETH H. HANSEN,
Superintendent of Public Instruction, State Department of Education, Carson City, Nev.

DEAR KENNETH: This is in reply to your letter of March 10 regarding potential variances in funding patterns of consolidated programs as compared with categorical programs. I agree with you in believing that the Congress intended that no state should be penalized financially under the new program.

It seems to me that a "hold harmless" provision at the FY 1974 level would be a satisfactory alternative until other steps can be taken to correct this seemingly unintentional, discriminatory legislation. Although it appears that Oklahoma is not affected so much by reduced funds as some other sparsely populated states, we still subscribe to the principle you have stated.

Sincerely,

LESLIE FISHER,
State Superintendent

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF EDUCATION,
Harrisburg, Pa., April 15, 1975.

KENNETH H. HANSEN,
Superintendent of Public Instruction, State Department of Education, Carson City, Nev.

DEAR SUPERINTENDENT HANSEN: HR 5901, the Appropriations Committee Bill now before the House, is intended to deal with the serious problem of inequities in financial assistance to the smaller states under Title IV, Part C, of PL 93-380. These inequities were created by the funding formula of 93-380, and in my opinion, these funding formulas should be adjusted to more fairly distribute the available federal funds. Under the current allocation formula, in FY 1977, those 12 to 15 least populous states would lose from 20 to 50 percent of the funds currently received under the programs consolidated.

We in the Pennsylvania Department of Education would support a comprehensive revision of the funding formulas by amendment to 93-380. Unfortunately, such legislation does not appear imminent. As a result, an alternate route is being advocated to deal with this problem; this is the section in HR 5901, which states: "Provided further that the amount made available to each state from the sum heretofore appropriated for FY 1976 or from the sum appropriated herein for the FY 1977 for Title IV, part C of the ESEA shall not be less than the amount made available for comparable purposes for FY 1975." (p. 3, lines 1-6)

While it is true that adoption of this language will mean a financial loss to Pennsylvania and several of the larger industrial states, nevertheless we support the provision because it remedies an unintentional and unfortunate unfairness to the smaller states.

Sincerely,

JOHN C. PITTEGER.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS,
Providence, R.I., March 9, 1975.

HON. KENNETH H. HANSEN,
Superintendent of Public Instruction, State Department of Education, Carson City, Nev.

DEAR COMMISSIONER HANSEN: I received your recent letter relating to the problems created by Title IV, P.L. 93-380. Enclosed with your letter were tables with your suggestion for a "hold-harmless" provision. May I first say that I appreciate the great amounts of work and efforts you and your staff have undertaken to produce such tables. They have been of great assistance to me and my staff as we begin to measure the ramifications which will occur should we lose the funds under the present allocation formula.

We concur that a hold-harmless provision is probably the least effective method of saving our allocation. Should we have our preference, we would prefer to see the allocation formula changed completely to protect us in all future years; however, we recognize the difficulty in convincing some of our colleagues to relinquish the monies under the new formula that they have received.

Recent conversations with the Senate staff of the Subcommittee of Education indicated that they felt changes in the formula should be initiated in the House. My Federal liaison, Bob Berlam, has talked to Jack Jennings of Congressman Perkin's staff and Chris Cross of Congressman Quie's staff. Although both were sympathetic, it appears that neither of them is extremely anxious to sponsor legislation to change the formula. With these realities in mind, I agree that we should move toward the hold-harmless solution. I intend to forward the tables, which you have provided, to our Congressional delegation in the next week or two and encourage their support. Perhaps, as you suggest, if we work collectively we can salvage the program which is needed so desperately in our educational system.

Lastly, we are planning on holding a Region I Workshop for all the states in New England to establish some method or strategy to effect a correction in the allocation formula. As the results of this meeting become available, I will forward the information to you and to our colleagues.

Once again may I thank you for your efforts in this particular matter. I hope to meet with you in the near future.

Sincerely,

THOMAS C. SCHMIDT,
Commissioner.

STATE OF SOUTH CAROLINA,
DEPARTMENT OF EDUCATION,
Columbia, S.C., June 4, 1975.

Dr. KENNETH H. HANSEN,
State Superintendent of Public Instruction,
State Department of Education,
Carson City, Nev.

DEAR KEN: I am sorry that you had to follow up your letter of March 10 with another on May 22 asking us to respond to one of earlier date. I had assumed that a response had been given to your March 10 letter.

However, my notes indicate that Dr. Don Pearce, our Coordinator of Federal Funding, called your Jim Costa in March and expressed support of the following positions: (1) An increased appropriation in the supplemental sufficient to give the "loser" states either 100% or 90% of what they had been getting—or (2) A "hold harmless" at the 1974 level which would cost the big states money and which they will defeat—or (3) A change in the formula which would provide more equitable funding.

Dr. Pearce tells me that these positions were recently reiterated. Incidentally, we have made some contacts in behalf of these positions.

Sincerely yours,

CYRIL B. BUSAEK,
State Superintendent of Education.

TEXAS EDUCATION AGENCY,
Austin, Texas, March 21, 1975.

Hon. KENNETH H. HANSEN,
Superintendent of Public Instruction,
Office of Education,
Carson City, Nev.

DEAR SUPERINTENDENT HANSEN: Your letter of March 10, 1975 to Dr. Brockette has been referred to me for reply.

The concerns about funding under Title IV of P.L. 93-380 and the need of "Hold-Harmless" legislation has been previously discussed with Dr. Brockette by Dr. Kirby of this Agency. Dr. Brockette's position is that the rule of reasonableness should apply, and that it would not be fair for many states to receive substantial fund reductions as the result of the consolidation. In fact, he has already communicated through Dr. Kirby to Mr. Ray Peterson of the Council of Chief State School Officers, that he would be happy to support efforts to protect the interests of smaller states.

We certainly sympathize with the problems discussed in your letter and will support "Hold-Harmless" legislation with the provision that "new" funds be distributed on a per capita basis.

Please keep us informed as to how we can best be of service.

Sincerely,

ALTON O. BOWEN.

Deputy Commissioner for Administrative Services.

UTAH STATE BOARD OF EDUCATION.

Salt Lake City, Utah, March 17, 1975.

Hon. KENNETH H. HANSEN,
Superintendent of Public Instruction,
Carson City, Nev.

DEAR KEN: Thanks for the materials you sent and for your initiative on the matter of funding under Title IV as opposed to individual programs approach. I certainly support your efforts in bringing about equity in this matter.

As a result of the recent meeting in Santa Fe, I have already written our congressional delegation asking for a "Hold Harmless" provision to enable small states to remain alive while more equitable formulas are developed. We are pursuing the identical course you outlined and hope for success through concerted and individual effort.

I shall be in Washington, D. C. this week and will have the opportunity to discuss this matter with my congressmen, Ted Bell, and the officers of CCSSO.

Right will prevail.

Sincerely yours,

WALTER D. TALBOT.

State Superintendent of Public Instruction.

STATE OF VERMONT,

DEPARTMENT OF EDUCATION,

Montpelier, Vt., March 19, 1975.

Mr. KENNETH H. HANSEN,
Superintendent of Public Instruction,
Nevada State Department of Public Instruction,
Carson City, Nev.

DEAR KEN: Thank you for your letter of March 10 regarding the problems created by P.L. 93-380.

We have been in touch with our Congressional Delegation and other states regarding the problems created by the provisions of that bill. In addition, we have been in contact with the Council of Chief State School Officers and the U.S. Office of Education in regard to this situation.

We were represented by proxy at the meeting in Albuquerque, New Mexico. It is our position that because of the situation the small states should be protected by a "hold harmless" provision to allow for alternative planning and funding procedures.

Sincerely yours,

ROBERT A. WITHEY.

Commissioner of Education.

SUPERINTENDENT OF PUBLIC INSTRUCTION.

Olympia, Wash., June 11, 1975.

Hon. KENNETH H. HANSEN,
Superintendent of Public Instruction,
Carson City, Nev.

DEAR KEN: Your March 10, 1975, letter requesting a statement of our position on the formula concern under Title IV-C (PL 93-380) did not go astray. My staff was aware of the problem and has talked with Jim Costa on several occasions.

As it turns out, the State of Washington's position on this matter will be to support any increase in funding that will allow the "loser" states to maintain their FY 1974 level of activity. I understand that an effort will be made to get some funds in a supplemental budget to effect an increase for this purpose in FY 1977. My office will certainly support that effort.

I trust you can understand our position on this issue. We are concentrating our efforts on getting some legislative relief on the maintenance of effort language in Title IV at this time.

Our State Legislature did sine die on Monday after 148 days of consecutive session, the longest period in the state's history. It has been an interesting experience with education funding and special levy relief being major issues. If we are successful in our effort to get the maintenance of effort language modified in PL 93-380 and the State Legislature moves quickly on state funding matters, we may be able to successfully implement PL 93-380.

Sincerely,

FRANK B. BROUILLET,
State Superintendent of Public Instruction.

STATE OF WISCONSIN,
DEPARTMENT OF PUBLIC INSTRUCTION,
Madison, Wis., May 30, 1975.

KENNETH H. HANSEN,
Superintendent, Department of Education,
Carson City, Nev.

DEAR KEN: I believe the formula for allocating funds to the states under Title IV, P.L. 93-380, should remain as presently constituted. If the formula is fair and valid, then penalizing some states in order to hold other states harmless creates its own inequities. Therefore, I believe the fairest solution to the problems of states that have lost funds would be to appropriate additional money to save them harmless for several years to make the adjustments to the new formula levels.

As I indicated in my previous letter, I do believe this is a matter that should be handled by Mr. Hansford's office out of consideration to all of the states.

Sincerely,

BARBARA THOMPSON,
State Superintendent.

THE STATE OF WYOMING,
DEPARTMENT OF EDUCATION,
Cheyenne, Wyo., May 28, 1975.

Mr. JAMES P. COSTER,
Federal Liaison, Nevada State Department of Education,
Office of the Superintendent,
Carson City, Nev.

DEAR JIM: This is in response to a letter from Dr. Hansen which we received on May 22, 1975 requesting information from the Wyoming State Department of Education that will help you in the upcoming oversight hearings on P.L. 93-380.

Enclosed is a copy of a letter and an attachment (# 1) that was mailed to our entire congressional delegation setting for the problems Wyoming has as a result of the P.L. 93-380 distribution formula.

I hope this information will be helpful to you as you meet with the appropriate House members.

Cordially,

DALE D. LUCAS,
Deputy State Superintendent of Public Instruction.

Enc.

THE STATE OF WYOMING,
DEPARTMENT OF EDUCATION,
Cheyenne, Wyo., February 27, 1975.

HON. GALE W. McGEE,
U.S. Senator for Wyoming,
Senate Office Building,
Washington, D.C.

DEAR GALE: A very close examination of the Education Amendments of 1974 (93-380) and its relationship to the Supplemental Appropriations Bill P.L. 93-554 as it affects Wyoming reveals a veritable disaster for federally funded educational programs in the State. I am enclosing two documents which will indicate the nature of the problem and am requesting your support and assistance in some needed changes in P.L. 93-380.

The first attachment shows the federal appropriations level contained in the Supplemental Appropriations Bill for forward funding of Parts B and C of Title IV. This attachment also shows the resulting impacts of this legislation on Wyoming when the distribution formula is applied. In the way of explanation, the data on Wyoming includes grant amounts or anticipated grant amounts for the Fiscal Years 74-75-76 and 77. The data on 1976 is most interesting and is of immediate concern because of the provision for 50 percent consolidation of the various titles included in Parts B and C. Projecting a constant level of appropriation into Fiscal Year 1977, when full consolidation occurs, only amplifies the deteriorating effects of funding under this grant formula.

This data indicates a successive drop from the 1974 funding level of \$1,060,918 to the anticipated receipt of only \$522,098 in Fiscal 1977. This results in a cumulative loss of \$538,822.

It seems that twenty states are involved in a loss situation in the implementation of P.L. 93-380, while thirty states show projected gains. Our data and data from the USOE indicates that Wyoming suffers the greatest loss while California can project an increase of \$5,550,535; New York would increase by \$4,824,848; Texas would gain \$3,051,756 and other states receiving lesser increases down to a break-even point.

Information from the Congressmen responsible for the compromise achieved in resolving the differences between H.R. 69 and S-1530 have assured us that it was never the intent to force states into a diminished funding level. We have also had indication from the states standing to gain in this legislation that they would not desire to achieve those gains if they were to result in losses to the other states.

I am also including a copy of a resolution developed by representatives of several State Departments of Education which we hope you will find acceptable. You may wish to initiate some action upon this, or if the situation dictates, you may find you can support action which may be generated from another source. This resolution is being submitted to the Legislative Committee of the Council of Chief State School Officers and it is our understanding that they may be the body through which some action may occur.

It seems to us that if the needed changes in the legislation are what might be considered a technical amendment, then it might be possible for this action to occur prior to implementation of our FY '76 program.

I trust that, as in the past, we will be able to depend upon you in assisting in getting these changes made. Should additional information be required or desired, please do not hesitate to contact me.

Best regards,

ROBERT G. SCHRADER,
State Superintendent of Public Instruction.

APPENDIX 2—IMPACT STATEMENTS

STATE OF ALASKA,
DEPARTMENT OF EDUCATION,
Juneau, Alaska, June 9, 1975.

JAMES P. COSTA,
*Liaison and Federal Program Administrator, Office of the Superintendent of
Public Instruction, Carson City, Nev.*

DEAR MR. COSTA: In reference to your request of June 5, 1975 relative to Alaska's projected activities under P.L. 93-380 Title IV Part C for FY-77, it appears that circumstances will necessitate a total curtailment of LEA programs.

Whereas in fiscal year 1975 Alaska, under the same activities authorized and consolidated in Title IV, will operate a total of 34 programs in 12 LEA's directly involving 21,483 students at a cost slightly in excess of \$335,000; the same activities in FY-77 will consist of a SEA maintenance effort 25% less than that of FY-75, and no LEA programs. I hope this provides the type of information you require. If I can be of further assistance do not hesitate to contact me at your convenience. Thank you for your interest in this matter.

Sincerely,

MARILOU MADDEN,
Special Assistant to the Commissioner.

[From part C, title IV, Public Law 93-380]

STATEMENT OF IMPACT ON ARKANSAS OF REDUCED FUNDING IN FISCAL YEAR 1977

Local school districts with operating projects have been alerted to the possibility of reduced funding in FY77. They have been advised to consider moving staff off Title III projects during the interim period.

No new projects will be funded and about 18 of the current 40 projects will be continued. Priorities for continuation are being established by the Department.

**STATE OF DELAWARE,
DEPARTMENT OF PUBLIC INSTRUCTION,
Dover, Del., June 9, 1975.**

Mr. JAMES P. COSTA,
*Liaison and Federal Program Administrator, Office of the Superintendent of
Public Instruction, Carson City, Nev.*

DEAR Mr. COSTA: Your memorandum of June 5, 1975 was referred to me for a reply from Dr. Howard E. Row, Assistant Superintendent for Auxiliary Services. Therefore, any further inquiries concerning P.L. 93-380 should be sent to this office under whose direction the Title IV program will be administered.

Under the old ESEA Title III, Delaware is currently maintaining twelve (12) projects, serving 3,215 children, and employing 38 teachers. You know, of course, that the ESEA Title III programs were intended to be three (3) year programs with a gradual shift of budget to local responsibility. Our present programs are about to enter the third year and would not, therefore, be renewable for the school year ending 1976.

Beginning in September 1975 for FY '76, we had intended to introduce nine (9) new programs but with the present allocation under Part C, Title IV P.L. 93-380, they cannot be approved. This represents 3,626 students being deprived of the type of education we feel is necessary in order to try out new ideas and provide an atmosphere in which creativity can flourish. These nine (9) programs would also provide employment for approximately 43 teachers.

During FY '77 under Part C, Innovative Programs, Delaware's allocation is only \$4,575 which will only allow one small program to operate in the entire state. Also, four professional and two secretarial positions will have to be terminated. It is indeed unfortunate that the Children of Delaware during FY '77 will not have the same opportunity to be involved in Innovative Programs which will be enjoyed by children of the more populous states to a greater extent than now exists.

Thank you for your interest in Delaware and if you have any further questions please call my office at 302-678-4625.

Sincerely,

ERVIN C. MARSH,
Administrative Assistant.

[From part C, title IV, Public Law 93-380]

STATEMENT OF IMPACT ON HAWAII OF REDUCED FUNDING IN FISCAL YEAR 1977

As one of the twenty small states most severely affected by the new funding formula, Hawaii suffers the same proportionate loss as the others, but the impact is perhaps the most severe on Hawaii, which has chosen to concentrate its former Title III, and now Title IV, Part C, funds on state-wide curriculum and instructional improvement and development activities. Most states, including Hawaii, are not able to budget substantial amounts of money for major undertakings of this nature. This decision has been an effective one for Hawaii because of its unique single state-wide system of education. All projects under Title III, or Title IV, Part C, are developed, field tested, and installed on a state-wide level. This concentration of effort and resources has permitted the implementation of the principles of curriculum change and innovation on a planned, systematic and large scale basis. The effectiveness of this approach is evident in that the Hawaii English Program developed under Title III funding is now servicing approximately 56,280 children or 59% of the pupils in grades K-6. It has been selected several times at national levels as an exemplary program, and preparations are now underway for wider dissemination as a result of its

selection as one of the President's Right to Read programs. This comprehensive approach to large scale educational improvement is consonant with the national move toward consolidation of federal funded titles under ESEA, but the formula applied and fund distribution under consolidation dilutes considerably the impact of the federal funds. Title III funds in Hawaii are now concentrated on only two projects: The Hawaii English Program—Secondary; and Mainstreaming Mildly Handicapped Students in English Classes. Both projects are being developed as systematic continuations of the statewide elementary HEP (Hawaii English Program).

The secondary English project, the major undertaking, would feel most strongly the effects of reduced levels of funding, particularly since earlier cut-backs have taken their toll in staff reductions, time extensions and decreased product outputs. The most serious impacts on the project would be:

1. Dislocation of plans already laid for wide field testing of the first levels of the secondary package. Schools have made plans, teachers are presently in training, materials are in production, and expectations are at a high key. However, without adequate staff to energize and coordinate the tests, plans would have to be drastically altered. The effects of cut-backs at this most critical stage of wide school involvement would be most difficult to recover from.

2. Further expansion of established target dates. The completion date has already been extended to six years from the original five. The longer the period the more difficult it becomes to sustain the effort. The cut-back would result in another extension, casting serious doubts on the stated ability to lead and sustain a major development effort.

3. Failure to articulate the secondary development with the installation of the Elementary Hawaii English Program. Times lines for the secondary development were planned to allow sixth graders existing from the HEP to move without interruption into the secondary level. If these time lines cannot be met, there will be severe disruption in program continuity for some 8,000 children and 100 teachers ready for the next higher level of HEP. The effects of this deprivation on children's learning are difficult to contemplate.

The second project, Mainstreaming the Mildly Handicapped, covers the critical field testing stage of a four year redevelopment of the HEP for mildly handicapped elementary children, and also the creation of new materials for mildly handicapped secondary students to enable them to function in mainstream English classes. Both developments anticipated the national trend for mainstreaming the mildly handicapped into regular education and are significant on this score. The project is already modest in scope because of limited funding. A further cut would reduce the small staff, the number of classes to receive the materials, the number of children to be followed, the size of the materials package, and the duration and quality of teacher training programs to be mounted over the year. Such curtailment would mean a step backward at a time when both the state and nation are moving strongly in the direction of mainstreaming the mildly handicapped.

STATEMENT OF STATE OF IDAHO, DEPARTMENT OF EDUCATION

BORSE, IDAHO, June 11, 1975.

If the Federal funding for FY 1977 under Part C of P.L. 93-380 remains at the level reflected in Table 4, DHEW:ASE:NCES:REP, dated 4/21/75, it is evident that there will be a reduction in programs and services that are provided to the Idaho school districts and to the students enrolled in the elementary and secondary schools of the State. The State Superintendent of Public Instruction and the State Board of Education will be forced to make some hard decisions on what programs or services will be reduced or terminated.

Since both programs and services require staff, it only follows that there will be staff reductions. The number of persons employed in programs funded from Titles III and V of the Elementary and Secondary Education Act in Idaho will of necessity be reduced by approximately 40%.

The number of innovative projects that can be funded will be sharply reduced. The reduction in the number of projects will quite likely exceed 50%. Many worthy projects will not be funded.

Failure to fund projects decreases the number of children served in a given period of time. The number of children affected is almost impossible to estimate, since many schools and districts adopt programs or portions of programs that are tried and proven.

Equally important is the fact that worthwhile ideas and concepts, when given the opportunity to develop, become an established program in the school classroom. What starts out to be an innovative project for 30 students under one teacher, even if not adopted by anyone else, could affect the children under this teacher for the next ten years. The anticipated loss of \$253,000 in FY77 to the state of Kansas will amount to about 10% of the FY74 level. This is not considered a damaging loss to the state, but it will undoubtedly result in not funding one or two requests for new projects in that year. The state plans to honor existing commitments.

ROY TRUBY,
State Superintendent of Public Instruction.

**STATEMENT OF DEPARTMENT OF EDUCATIONAL AND CULTURAL SERVICES,
AUGUSTA, MAINE**

Negative Effect of 93-380 Appropriation on the Maine Department of Educational and Cultural Services.

The sum of \$850,298 projected for Part C of Title IV under P.L. 93-380 is only \$60,940 over the Title III, E.S.E.A. allocation for FY 75, let alone the \$355,000 allocated to Title V, E.S.E.A. (strengthening State Departments of Education).

I have been advised by the Title III, E.S.E.A. Coordinator that the best that he will be able to do is to refund existing projects in FY 77 and/or fund a limited amount of the Mini Grants.

I also anticipate that some of the current projects funded under Title V, E.S.E.A. will be eliminated for lack of funds.

STATE OF MONTANA,
OFFICE OF THE STATE SUPERINTENDENT,
Helena, Mont., June 12, 1975.

MR. JAMES P. COSTA,
Liaison and Federal Program Administrator, Office of the Superintendent of Public Instruction, Carson City, Nev.

DEAR JIM: In response to your letter of June 5, I want to provide the following information concerning the potential losses of Part C, P.L. 93-380 funds.

The amount of funds available for ESEA Title IV, Part C during fiscal year 1977 will result in the virtual elimination of federally funded innovative and exemplary school programs in Montana. In fact, the amount remaining after the strengthening state and local agencies set aside has been taken, the grand sum of \$79,556 will remain for all of the other Part C program activities, including Health and Nutrition and Dropout Prevention programs. That amount compares with the current \$540,000 available for innovation and with an average of \$620,000 which has been available in prior fiscal years. Translated into percentages, Montana will receive 15 percent of what it received in fiscal year 1975 for innovation and 13 percent of the average of previous fiscal years.

In program terms, the funding situation will mean the termination of more than 90 percent of existing innovative programs at the end of fiscal year 1976. In addition, no new projects will be approved in both fiscal years 1976 and 1977.

Recently implemented programs such as Innovation Incentive Grants to classroom teachers will be terminated even though the concept has been endorsed by every participant in the program as being an effective way of helping Montana students. The budget situation also dictates the elimination of any possibility to establish needed demonstration sites throughout the state.

The cut will also prevent the development of any health and nutrition and dropout prevention programs as were expected under the consolidation legislation. In addition, the comprehensive statewide assessment of educational needs in the state is nearing completion and will be adversely affected. Participation in the program has been extremely good because local districts were assured that funds would be available to support the development of solutions to identified needs. The budget cut will result in an unexpected, unwanted and considerable delay in the R and D efforts necessary to meet identified needs.

The fiscal year 1977 appropriation will result in the elimination of 50 professional and support positions in Montana schools. Of more importance, however, is the elimination of needed supplemental services to more than 20,000 students in Montana elementary and secondary schools. Federal programs such as ESEA Title III and Title IV represent the only sources of funds for program develop-

ment available to most Montana schools. Such monies have supported programs in environmental education, legal awareness, preschool, health education and cultural awareness which would not have been possible under other categorical programs. If the budget picture for fiscal year 1977 remains the same, it is practically a certainty that such worthwhile services for students will become extinct.

I trust that the information I am providing may be useful to you. Thank you for your inquiry.

Sincerely,

RALPH G. HAY,
Executive Assistant.

STATEMENT OF IMPACT ON NEBRASKA OF REDUCED FUNDING IN FISCAL YEAR 1977

The funding level for Nebraska in FY 1977 under Part C, Title IV, P.L. 93-380, will be approximately one-third of FY 1974. This will most likely result in a proportionate cut-back in supplementary program services for schools. Most affected will be the mini-grant and adoption grant areas where individual creativity and adoption of proven practices have been encouraged. Such a cut-back will result in proportionate reduction of staff and student participation. With the funding available in FY77 the state of Nebraska will honor existing commitments to the extent permitted. No new projects will be accepted.

[From part C, title IV, Public Law 93-380]

STATEMENT OF IMPACT ON NEVADA OF REDUCED FUNDING IN FISCAL YEAR 1977

A definite decision about program reductions to compensate for the projected losses from FY 1977 appropriations has not been made. It is obvious that a 52% reduction will force the hard decisions to be made soon.

The Department of Education has a strong commitment to provide technical and consultative assistance to local school districts in media and materials, curriculum development, subject matter areas, and instructional and administrative practices. This service usually takes the form of inservice education, but many times it is done by request on a person-to-person basis. The Department provides the people with expertise who can promote innovation, encourage change, and inspire improvements in the classrooms which can lead to better learning opportunities for children. There is relative certainty that the Department and the State Board of Education will want to continue this commitment and to do so with funds formerly available under ESEA Title V.

If this is the choice, then all of the program effort under innovation and supplementary services (ESEA Title III) will be forced out of existence. Approximately fifty schools in ten districts will terminate supplementary services to 25,000 students in programs of reading, math, guidance and counseling, science, art and music, vocational skills, economics, and instruction for the handicapped and the gifted. About fifteen employed staff will need to be released or reassigned and more than 180 teachers will be denied the opportunities for enriching and supplementing their regular classroom programs.

At the state level the 52% reduction could mean that two full time professional staff and two secretaries would need to be released. Six other staff members performing specialized services for ESEA Title III on a less than full time basis would need to be reassigned and possibly released if state funding is not forthcoming by Fiscal 1977.

STATEMENT OF IMPACT ON NEW HAMPSHIRE OF REDUCED FUNDING IN FISCAL YEAR 1977

DEAR MR. COSTA: In response to your recent inquiry as to the impact on New Hampshire's educational programs under the new authorization formula for Title IV of the Education Amendments of 1974, I am happy to submit the following information:

New Hampshire stands to lose a total of \$507,422 during FY77. This is approximately a 30% reduction from that received in 1975. Although the impact is felt in both Parts B and C of the Act, the greatest impact will be in Part C, where we anticipate a reduction of \$457,116.

In our state we are fortunate in that a large portion of our 1975 Title III funds are unexpended; otherwise it would be impossible for us to meet the obligation which we have to currently approved three-year model grant programs with the anticipated funds from Part C of Title IV. Even though we can meet our obligations for the future, we will not be able to carry out an extensive program for innovation and supplementary centers.

At this time it appears that New Hampshire will utilize its full authorization of funds under Part C for strengthening state department and local educational agencies. Increased operating expenses and an increased effort to strengthen leadership roles at the local level have made it necessary to use the full authorization. Consequently, the amount remaining for innovative programs is reduced to about \$100,000.

This reduction will seriously curtail our efforts to develop innovative and exemplary programs at the local level to meet critical student needs. Our efforts in this direction will be cut to about 20% of the former level of support. In view of the fact that New Hampshire had 1.5% of all validated Title III projects during 1973 and 1974, but received only .5% of the total authorization from Congress, we feel that this is a significant loss. Add to this the fact that our state support for education is the lowest in the nation and you can see that there is little likelihood of the local districts being able to carry on this type of activity with their own revenue.

I appreciate your efforts on behalf of those states affected by the change in funding authorization and trust that our respective plights will be understood by Congress which will act to restore the former level of funding.

Sincerely,

ROBERT BRUNELLE,
Deputy Commissioner.

[From part C, title IV, Public Law 93-380]

STATEMENT OF IMPACT ON NEW MEXICO OF REDUCED FUNDING IN FISCAL YEAR 1977

Services offered by the New Mexico Department of Education to local school districts are generally in the form of technical assistance. The lack of adequate funding under Title IV of Public Law 93-380 to carry out the services which were previously offered under the categorical programs will be a serious loss to the school children and educators in New Mexico. The loss will be felt in FY77 when staff positions at the State Department of Education will be deleted of necessity due to the lack of funding.

The most serious loss faced by New Mexico as a result of the funding formula is the reduction by over one-half of flow-through funds for innovative programs. The importance of these funds for addressing critical areas of need in education in the state by seeking innovative and alternative solutions for these problems must be emphasized.

The loss of funding will thus be felt not only by the teachers and children in projects that cannot be funded but will also be felt statewide, as an important and successful program for improving the quality of education will be significantly reduced.

THE STATE OF NORTH DAKOTA,
DEPARTMENT OF PUBLIC INSTRUCTION,
Bismarck, N.Dak., June 10, 1975.

Mr. JAMES P. COSTA,
Liaison and Federal Program Administrator, Office of the Superintendent of
Public Instruction Carson City, Nev.

DEAR JIM: This is in response to your memorandum of June 5.

Unless a remedy is found to replace the loss North Dakota will experience in the amount of \$488,452 from the formula provided in P.L. 93-380, Title IV, Section 402(a)(2), programs and services funded totally or in part from funds provided through Title V ESEA and Title III ESEA will have to be severely reduced or eliminated.

A resume of the types of programs designed to assist the districts and cooperating non-public schools to better meet the needs of the students is attached.

The strength of any program, and especially programs which have been provided with funds provided under Title V ESEA and Title III ESEA, is continuity. Without consistency in funding, there is no opportunity to apply the findings or to encourage the adoption of innovative and exploratory projects which give evidence of improving the learning-teaching process.

At the level of funding provided when consolidation is fully operational in FY 77 with the maintenance of staff at the current level, which will be the policy of this Department, the amount of funds to support projects and programs will be such as to, for all intent and purposes, eliminate such activities. Based upon the information at hand, there will be approximately \$32,903 for this purpose, compared to \$434,000 in FY 73. We hope that the charts projecting Program Consolidation Funds—Purposes and Sources, Plans for Funding LEA Projects, number of children served and not served is the information the committee needs.

Sincerely,

K. L. DOOLEY,
Director, State and Federal Relations.

STATE DEPARTMENT OF EDUCATION,
Oklahoma City, Okla., June 10, 1975.

Dr. JIM COSTA,
Liaison and Federal Program Administrator, Office of the Superintendent of
Public Instruction, Carson City, Nev.

DEAR DR. COSTA: This will reply to your memorandum of June 5 relating to a request for supplemental testimony for the Subcommittee. As it was pointed out earlier, Oklahoma will not be a heavy loser according to projected data. According to Table 4, which was attached to your memorandum, it is estimated that our Title IV, Part C allocation will be reduced by approximately \$170,000.00.

Any reduced amount in our allocation of funds under this program will simply mean reduced funding to eligible applicants and thus reduced services for elementary and secondary school children.

Respectfully,

EARL CROSS,
Assistant State Superintendent,
Federal Programs Division.

DEPARTMENT OF EDUCATION,
STATE OF OREGON,
Salem, Oreg., June 11, 1974.

MR. JAMES P. COSTA,
Liaison and Federal Program Administrator, Office of Superintendent of Public
Instruction, Carson City, Nev.

DEAR MR. COSTA: Oregon Department of Education personnel do not know the exact program reductions in Part C, that will have to be made. Therefore our response to your survey is only an estimation of what may occur.

(a) *Programs to be terminated or reduced.*—4 to 6 programs will be terminated.

(b) *Staff reductions.*—Project personnel will be reduced. There will be a reduction of 1 to 4 people per project.

(c) *Number of children that will not be served.*—The number of students not being served multiplies greatly when the eliminated project is concerned with a statewide priority.

We are not able to give a true estimate as to the number of children involved because the projects to be reduced have not been determined.

If I can be of further assistance please contact me.

Sincerely,

AL ELKINS,
Government Relations Specialist,
Communications and Government Relations.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS,
 DEPARTMENT OF EDUCATION,
 Providence, R.I., June 9, 1975.

Mr. JAMES COSTA,
Federal Liaison and Program Administrator, State Department of Education,
Carson City, Nev.

DEAR JIM: May I first express Commissioner Schmidt's appreciation for the excellent testimony you gave before the Subcommittee on Elementary and Secondary Education on Tuesday, June 3, in behalf of all the states losing funds under Title IV of P.L. 88-380. We appreciated the thorough and complete data which you provided and the professional manner in which you attempted to show the plight of the smaller states.

In regard to your letter of June 5, in which you asked us to respond to you on the impact to Rhode Island due to the loss of our funds, I would like to indicate our direction for the next three years. As you are aware, the loss that Rhode Island will incur because of the new formula in Title IV is approximately \$496,000. This is almost equal to our FY 1975 appropriation for the entire Title III, ESEA programs. Therefore, it is certain that we will not open a funding period for FY 1976 for Title III programs and the phase out of all programs presently in existence over the next two-year period is expected.

This year, in Rhode Island, we have in existence 28 individual Title III programs operating in our 40 school districts. These programs service approximately 5,368 students in both elementary and secondary grades. When this is compared to the number of students in our elementary and secondary schools, it is easy to see that a huge percentage of our school population will lose their educational innovation projects because of the loss of these funds. Additionally, there are over 50 Program Directors and teachers who will have to find employment in education other than the ones in which they are presently involved. Overall, it is obvious to us that we will not be able to support innovative programs at any level of significance by the end of the next fiscal year.

I could substantiate at great length the effectiveness of many of the innovative programs which have been operational in Rhode Island and which have eventually been funded by the local school districts' resources because of their value to students. However, I think that it is important at this time that we state to the Congress that Title III programs which have had a large impact in Rhode Island education since 1969 will no longer be available to the students of Rhode Island.

Again, I appreciate your efforts in our behalf; and if I can be of any further assistance to you, please inform me at your earliest convenience.

Sincerely,

ROBERT A. BERLAM,
Coordinator of Federal Programs.

SOUTH DAKOTA DEPARTMENT OF EDUCATION AND
 CULTURAL AFFAIRS, DIVISION OF ELEMENTARY
 AND SECONDARY EDUCATION.

June 6, 1975.

Hon. LARRY PRESSLER,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PRESSLER: Title III of the Elementary and Secondary Education Act of 1965 was designed to test new concepts in elementary and secondary education and to disseminate the information gained by such activities to other schools. Several of these programs have been highly successful in South Dakota. Just to name a few: we have a reading program in Sioux Falls that shows a 2.5 year gain in one year, a team approach to Guidance in Brookings that is being copied by civic groups outside the school and a K-12 environment program in Chester that has had over 100 outside requests for their curriculum.

For the past few years Title III has had the following funding: 1973, \$634,682 with \$150,000 for administration; 1974, \$667,852 with \$150,000 administration; 1975, \$672,376 administration \$150,000; 1976, \$487,622 administration \$150,000; 1977, \$81,706 with \$33,949 for administration.

Please note that in 1977 this would be only \$47,757 for programs of which \$12,258 is earmarked by Federal Legislation for the handicapped. Of the \$35,501 remaining, the 1974 Education Amendment provides for program in Dropout Prevention and Nutrition and Health, formerly funded directly by Washington to the local education agency. This will not provide sufficient funds for either of these new programs to say nothing of the innovative programs formerly being carried on.

In all the discussions prior to the enactment of the law everyone was assured that the states would be protected at the 1974 or some similar level. Anything that can be done to reestablish this level would help salvage this useful activity for the State.

Thank you for your assistance.

Sincerely,

F. R. WANEK,
Acting State Superintendent.

UTAH STATE BOARD OF EDUCATION,
Salt Lake City, Utah, June 11, 1975.

MR. JAMES P. COSTA,
Administrator, Liaison and Federal Programs, Office of the Superintendent of Public Instruction, Carson City, Nev.

DEAR JIM: I am happy to respond to your request for information with respect to potential losses for Utah as a result of the change in the formula under P.L. 93-380 for Part C programs in Title IV.

The USOE Title III Section 306 funds have funded in FY 1975 a statewide facilitator project. The success of this project prompted the State Advisory Council for Title III to recommend that Title III funds which flow through to the local districts be used to fund "adoptables." "Adoptables" are nationally validated programs and projects which make a positive difference in the learning of children.

Districts were offered up to \$5,000 per program to implement these proven practices. In FY 1975, Utah districts submitted seventy-two requests to implement "adoptables" totaling over \$300,000.

The new Title IV State Advisory Council was so impressed by the positive feedback relative to the "adoptable" program expressed by school districts that it recommended an additional \$250,000 over the original \$300,000 be made available immediately to help meet the demand.

The loss of over \$300,000 for Utah during FY 1977, as a result of the change in the allocation formula, means sixty "Proven Practices" projects will not be scheduled for implementation in the public schools of Utah.

Local districts will need to release approximately twenty-five teachers engaged in exemplary programs. One-thousand children will not receive the benefits of the adoption of the proven practices. The potential loss is much greater. Currently, nearly 54,000 students are receiving the benefits of Title III, ESEA developmental projects such as U-SAIL at an expenditure of \$231,000. The loss of \$300,000 must be measured in terms of potential impact upon a similar number of children in Utah Schools.

Sincerely,

BERNARD S. FURSE,
Administrative Assistant and Federal Programs.

STATE OF VERMONT,
DEPARTMENT OF EDUCATION,
Montpelier, Vt., June 12, 1975.

IMPACT OF LOSSES UNDER TITLE IV PART C, PUBLIC LAW 93-380

Severe reductions in educational programs and erosion of the State leadership role would be the impact on Vermont if Federal funds under the Elementary and Secondary Education Act are not restored.

The major negative impact would be felt in curtailment of Vermont's only avenue for research and development in education. The funds for innovative and exemplary programs on the local educational agency level currently support projects to:

Develop ways of teaching the metric system.

Experiment with alternative methods of motivating students.

Provide a more effective system of accountability and assessment of students' progress.

Develop affective education programs.

Provide an experimental program for training autistic children.

Provide opportunities for students to develop educational programs for student operated radio and television shows.

These programs and others would be aborted in their developmental stage.

A program of providing small grants for teachers and students to experiment with new or improved practices in the classroom would be terminated. In one year alone the impact of this program affected over 6,000 students and over 200 teachers. This program, operating successfully since 1971, would be completely eliminated in terms of initiating new projects.

At the present time the program for strengthening the state department is supporting personnel in critical and essential service areas; i.e., deputy commissioner, legal counsel, data information services (which includes computing state aid to local agencies), public information services, subject matter specialists, planning services, superintendents' liaison, school facilities planning services, teacher certification, and teacher education services.

As a result of the economic situation in which Vermont finds itself, reinstatement of these programs would be impossible through State funds. There is no alternative source to this support in a rural state such as Vermont.

DEAR JIM: In reviewing your request of June 5, 1975, I find that as a result of the FY77 distribution of funds under P.L. 89-10, Title IV, Part C, Educational Innovation and Support, West Virginia will lose approximately \$324,196. If this loss becomes a reality some programs will have to be terminated at the local level. As you know, innovation projects are generally funded for a three year period. Taking into account the above loss, those projects receiving their initial funding in FY76 will not receive second and third year funding. It seems such a waste to initiate projects and have to cut them off just when they are getting started. It is impossible to identify the number of projects and the students involved since the projects will not have started until after July 1, 1975. However, I can assure you at least four projects in the areas of dropout prevention, health and nutrition, and strengthening LEA leadership activities will be terminated. The three areas will utilize about \$164,000 in FY76.

No doubt there will also be a curtailment of some programs designed to strengthen the SEA during FY77. The 15% set-aside is just not enough to keep the SEA in business. Our survival during FY76 came about as a result of the "double shot" of administrative funds.

I sincerely solicit your support in any effort to provide for an FY74 hold harmless for the losing states, yet not penalizing those states that are the gainers.

DR. DANIEL B. TAYLOR

DEAR JIM: Thank you for your efforts on behalf of the less populous states which lose funding under Public Law 93-380.

The situation for Wyoming in Fiscal 1977 leaves us few alternatives and the result will be a closing-out of all Title III funded projects and all flow-through to local education agencies from Title IV, Part C. Other provisions in the Act which will be completely neglected in Wyoming under these circumstances are the Nutrition and Health Demonstration Projects and Dropout Prevention Projects. In addition, our Title V, Strengthening State Departments of Education, activities will necessarily be curtailed. Since the law provides for the continuation of Title V type activities as a major set aside in the funding, it will be necessary for the Department to reserve the full \$291,063 for those activities. It is interesting to note that the law provides that the state may continue the Title V activities at the Fiscal 1978 level, which would have been \$359,449. As you can see, our share of Part C will not even allow that set aside activity in entirety.

I regret that this action seems necessary and will result in the elimination of approximately thirty Title III ESEA funded projects in that many locations involving a sizeable portion of our student population in the state.

I trust that this information will be useful and will receive fair consideration in Washington, D.C.

Respectfully yours,

MELVIN H. GILLISPIE,
Director of Federal Programs.

WASHINGTON, D.C.

I. Title III-type activities—Innovation.

- A. The following objectives will be reduced:
 - 1. Individualized Instruction
 - 2. Elementary Environmental Education
 - 3. Elementary Art
- B. Special Education will be cut from two projects to one.
- C. Guidance, Counseling and Testing will have a very low priority.
- D. Dropout Prevention will be unfundable.
- E. Nutrition and Health will be unfundable.
- F. Community Participation activities will be reduced.

In summary, seven of fourteen projects will be eliminated and the remainder will be cut back.

Fifteen to twenty currently occupied positions will be threatened.

II. Title V-Type Activities—State Support.

Support will be reduced for the state board of education, for the superintendent, and the state administrative staff; and we anticipate a 40-50% reduction in the number of children served.

(Signed) BARBARA SIZEMORE,
Superintendent of Schools.

Mr. LEHMAN, Mr. Daley, Federal Liaison Officer, State of Washington.

**STATEMENT BY WILLIAM DALEY, FEDERAL LIAISON OFFICER,
STATE OF WASHINGTON**

Mr. DALEY. Thank you very much for the opportunity to appear here and represent the interest of the State of Washington Department of Education. In the interest of conserving time, I will only elaborate a bit on the concern that we have in our state about maintenance of effort.

We rely heavily on property taxes for school support, and our constitution limits those taxes. The only way that we can exceed their limitation is for the local school district to submit an annual proposition to the voters, and that proposition has to be approved by a simple majority of a 40 percent turn-out, and a 60 percent affirmative vote.

If the levy fails, there will be no levy for that school district. The constitution framework intends for these to be special levies, and we are trying to limit taxes. However, the cost of education has caused those levies to become a substantial part of the school support in the State of Washington.

In many instances, 30 percent or more of maintenance and operation funds for a school district are involved in these levies. We have over \$600 million involved in annual levies in the State of Washington. The voters have begun to disapprove those levies in substantial amount.

Forty-seven districts in our state have double-heavy losses this year, involving over 40 percent of the students. This is particularly a state problem, but it has a side effect in that the maintenance of effort requirements that we adhere to via Federal statute are now being applied in the instance of these heavy losses.

Last year, the U.S. Office of Education, title I auditors told us that if the levies failed in these particular school districts, the title I funds would be restricted or eliminated. The same thing is now being said about title IV in general.

We think that the Federal government does not intend that disadvantaged students, in particular, should suffer additional educational harm in such circumstances. Very briefly, we are asking that you re-examine those maintenance of effort requirements in the context of a general examination of Public Law 95-380.

Other States have similar problems relating to enrollment decline or to similar tax losses due to the economic situation our States now face. We hope that you will take a look at those requirements as you examine Public Law 95-380.

I will submit additional comments in writing, Mr. Chairman.

Mr. LEHMAN. Thank you.

[Prepared statement of William Daley follows:]

**PREPARED STATEMENT OF WILLIAM DALEY, FEDERAL LIAISON OFFICER
STATE OF WASHINGTON**

Mr. Chairman, Members of the Committee, Ladies, and Gentlemen. At the outset, may I thank you and your staff for giving me the opportunity to represent Superintendent Brouillet here today.

Currently, the school system in Washington is facing an unprecedented financial crisis to which the maintenance of effort requirements in federal law add a special dimension. In order to explain why we have this problem, I must take a bit of my time to outline for you how we finance schools in the State of Washington.

Like most states, ours relies heavily on property taxes as a source of school support. In an attempt to limit overall taxation, the Constitution provides that the property tax shall be a maximum of 40 mills. These 40 mills are apportioned between schools and other units of local government. Any property tax levy that goes beyond this limitation requires special approval by the voters in the taxing district.

To gain such approval, an annual proposition must be submitted. It must be approved in a special election during which there is a voter turnout of more than 40 percent and an affirmative vote of more than 60 percent. If the proposition fails the first, it may be submitted again, but if it fails on a second try, there will be no special levy for that year.

Clearly, it was the intent of those who wrote these constitutional provisions that levies that exceeded the millage limitation should be special and should be difficult to obtain. But, because of a tremendous rise in the cost of education in the last two decades, annual levies have become a basic part of school funding in Washington. In many school districts, they represent 80 percent or more of the maintenance and operation moneys available. They now amount to approximately \$600 million a biennium. This has grown from a high of around \$15 million in the 1950's.

They would represent figures in those amounts, that is, if voters in school districts were to continue approving them, but they are not. In the spring of this year, 47 school districts in Washington suffered double levy losses. Even though we have over 300 school districts, those 47 districts educate over 40 percent of the school population in the state. The bulk of the losses occurred in the larger districts, particularly in King County which contains Seattle and a major concentration of large suburban school districts. Over 40 percent of our state's students will reside next year in districts with double levy failures.

I do not mean to imply through these statistics that the loss of these levies poses a responsibility for the federal government. We have, and will continue to maintain, that the levy system is antiquated, inadequate, and in need of change by the state. Indeed, in 1970 and in 1972, our Legislature submitted constitutional amendments to the people which provided for an income tax for school support and substantial reductions in the reliance on these special levies. In both instances, the propositions were defeated at the polls, by a 2-to-1 margin in 1970 and by more than a 3-to-1 margin in 1972. We anticipate that additional constitutional changes will be submitted to the voters either this November or the following November in an attempt to solve that problem. It is something that our state must do by itself.

But, the federal government does have responsibility for a side effect that we were unable to anticipate and that relates specifically to my concern before you here today, maintenance of effort.

As you are aware, almost all programs that supply federal dollars to local and state governments contain requirements prohibiting the supplanting of local dollars with the federal dollars. For example, 45 CFR § 116.5, governing Title I programs, states in its pertinent part:

"... Any such reduction in fiscal effort by a local educational agency for any fiscal year by more than 5 percent will disqualify a local educational agency unless the local educational agency is able to demonstrate to the satisfaction of the state educational agency that such a reduction was occasioned by an unusual event... that could not have been fully anticipated or reasonably compensated for by the local educational agency. . . ."

The law governing the new Title IV program states: "403(a) ... Submit to the Commissioner a state plan . . . which—(1) gives satisfactory assurance that the aggregate amount to be expended by the state and its local educational agencies from funds derived from non-Federal sources for programs described in section 421 (z) for a fiscal year will not be less than the amount so expended for the preceding fiscal year. . . ."

Similar language governs virtually all programs providing federal money for schools.

Even though we have had sporadic double levy failures throughout the 1960's, in some instances some rather large failures (in Spokane, and in Bremerton, and in northern King County), we interpreted those failures to be unusual events which exempted them from the meaning of the maintenance of effort requirements. We did so because of the tenuous nature of the levy system and because of the super majority requirements. No one objected.

In May of 1974, however, the Title I auditors from the U.S. Office of Education told our state that such an interpretation, which they before had accepted, no longer was acceptable and that a district that lost a levy and thereby fell below the 5 percent maintenance of effort requirement also would lose the federal dollars being provided to help educate their disadvantaged students. More recently, the question has been raised about the new Title IV. We anticipate that this question is applicable across the spectrum of federal programs, and we fear what will happen if it stands.

If that interpretation is applied for the Title I program alone, we would lose approximately \$7 million in basic Title I funds. Such an action would involve over 80 percent of the state's basic Title I entitlement and would affect approximately 40 to 50 percent of the state's eligible Title I students. We do not believe that the occurrence of an unusual event such as the loss of a special levy should result in inflicting a double penalty on Washington's public school students, especially the disadvantaged students served in Title I. We further believe that if this is the only interpretation possible under the requirements of federal law, then those requirements should be altered.

In talking about changing the maintenance of effort requirement, we are well aware of Congress' concern that should maintenance of effort requirements not be made strict, supplanting would occur on the local level. Indeed, we have experienced pressures for supplanting in our own state. Only because of those requirements, have we been able to resist them. Every time our Legislature meets to consider the budget, they hold an all-day hearing on federal funds. The point of the hearing is to find out whether or not there is any way to use federal dollars to reduce the need for budgeting additional support for the state's schools. If you were not maintaining those requirements at the federal

level, the Legislature would be able to supplant and thereby shirk at least a part of their obligation to maintain an adequate educational opportunity for the students of the state.

We also know that our school funding system needs to be changed and there are those who will argue that if we do not adhere to the U.S. Office's interpretation of maintenance of effort, political pressure on behalf of changing the system will be removed from our policymakers. There is enough political pressure for change there now. The disaster already is too large to be ignored. We anticipate even more double levy failures next year. The change will come. It will involve an alteration of our state's entire tax structure and whole new method of funding education in Washington. But that change will take time and in the meanwhile, we think it unreasonable that federal policy should be interpreted in such a way as to further penalize students already faced with educational losses.

We hope that either you can prevail upon the executive branch to change its interpretation of maintenance of effort in order to allow us to steer around this disaster or, if that cannot occur, change the requirements themselves in such a way as to permit federal funds to continue to flow to students in those districts which suffered these losses without letting our Legislature off the hook in general for maintaining their own effort in this arena.

Thank you very much for your time. I will provide further documentation of our problem to you through your counsel.

Mr. LEHMAN. I will ask Mr. Miller to come up and present his testimony, then we will ask our questions to all of the State officers.

Without objection, your full testimony will be made part of the record. Would you like to introduce the members who are appearing with you today?

**STATEMENT OF JAMES W. MILLER, LEGISLATIVE CHAIRMAN,
NATIONAL ASSOCIATION FOR PUBLIC CONTINUING AND ADULT
EDUCATION**

Mr. MILLER. Thank you, Mr. Chairman, we have a short statement to make, and then we ask that Mrs. Turner and Mr. Ryan be permitted to make a few brief remarks.

Mr. LEHMAN. You may have 10 minutes for the whole thing.

Mr. MILLER. Thank you.

Thank you for permitting me to appear before you today to testify in behalf of a request for a technical amendment to the Adult Education Act. The issue we bring before you today is neither a north versus south, nor a rural versus urban issue, but is a concern which represents the consensus of adult educators throughout the Nation.

Today I am representing the National Association for Public Continuing and Adult Education as its legislative chairperson. I am also a member of the Ohio Department of Education and have the responsibility for the administration of the adult basic education program in Ohio.

I am accompanied by Mrs. Mary Turner, chairperson of the National Council of Urban Administrators of Adult Education, and by John Ryan, chairperson of the National Council of State Directors of Adult Education. Both groups are affiliated with the National Association for Public Continuing and Adult Education.

The Education Amendments of 1974, Public Law 93-380, provided for a shift of the adult education discretionary money for special experimental demonstration projects and teacher training—most com-

mainly known as section 309 funds—from the U.S. Commissioner of Education to the State educational agencies. This change was supported by NAPCAE and by the States. Such forward thinking on the part of this committee and by the Congress is greatly appreciated.

As a result of that legislation, the States are now mandated to spend not less than 15 percent of the State allotment for special experimental demonstration projects and teacher training. In order to manage the program more effectively and to provide expanded services to adults, it is proposed that the language in section 309 of the Adult Education Act be amended to read that a State education agency must spend "not less than 5 percent" for special experimental demonstration projects and teacher training activities.

Massive changes in the economy have taken place since the passage of Public Law 93-380. Unemployment rates have risen in all sections of the country, and this has created unprecedented demands on the services of the adult basic education program. The demand on adult education programs has further been affected by the results of an everchanging job market, by the increased enrollment of veterans, and the realization on the part of adults that improvement in basic educational skills is essential if they are to remain in the ranks of the employed.

In order to determine the impact of massive unemployment on the adult education program, on May 4, the NAPCAE legislative committee implemented a national survey to assess the effect in the States and to determine the extent to which State and local ABE directors across the country support lowering the mandated set-aside from 15 percent to 5 percent.

The survey instrument was mailed to all 50 State directors of adult education, to the regional program officers of the U.S. Office of Education, to the regional representatives of the National Council of Urban Administrators of Adult Education, and to a sampling of local program directors. The results show that 92.5 percent of the respondents support the need for the suggested changes.

Respondents were also asked to report the impact of unemployment on the program and the manner by which local adult education programs are being affected. Following is a summarization of the findings:

(1) Almost all States are showing major growth in enrollment due primarily to the unemployment situation and also due to the fact that undereducated adults who are currently employed realize they will probably be the next workers to be laid off and are, therefore, returning to school to improve their skills.

(2) Many States report that due to inadequate funding and the effects of inflation, classes are being terminated much earlier than planned, students are being placed on waiting lists, needed instructional materials are not being purchased, supportive services such as recruitment and counseling are being reduced, and schools wanting to participate in the program are being asked to wait. In most States it is impossible to expand programs to meet the needs created through unemployment. The net result is that many adults who want to improve their employability are being denied access to the program.

(3) The costs of teachers' salaries, fringe benefits, and instructional materials are going up in most areas of the Nation, therefore, making less money available for program expansion. In some areas it will be necessary to reduce staff for next year's projects.

The original purpose of the Adult Education Act in 1966, which is exceedingly relevant today, was to provide employment opportunities for undereducated adults. While special project activities are desirable, it would appear that the basic intent of Congress is to serve students who desperately need the services of the program.

It is our belief that the proposed technical amendments would strengthen the legislation and would maintain the intent of Congress because of the following reasons:

1. The establishment of a lower mandated set-aside would give the States the flexibility necessary to manage the program and yet maintain the intent of Congress.

2. Due to a change in the funding formula, many States lost money and after complying with the 15-percent mandate for special projects find it impossible to maintain the programs they have operated in previous years. By shifting some of the experimental funds, more money could be made available for local program operation.

3. Special projects for staff development activities have been conducted since 1967. Probably a higher proportion of ABE funds have gone for demonstration purposes than in almost any other Federal program. Adult educators believe in the need for special projects, but not to the degree that services to students must be seriously curtailed. Congress has maintained the emphasis on direct services to children in title I, and we believe adult education must have the same priority for their parents.

There have been a few expressions of concern that the special project activity may be deemphasized if this proposed change becomes a reality. It is our contention that this is an unfounded concern. First, under this proposal, the States can still spend as much for special projects as they wish. Further, there is value in the concept of funding proposals based on merit and not because of having to spend a designated amount just because of a legislative mandate. The establishment of a minimum of 5 percent places special projects on a merit basis, which is altogether proper. In a time of scarce resources it makes little sense to have to spend money for experimental programs at the expense of direct services to students.

It is our belief that Congress wants and has a right to expect the most effective utilization of money as is possible. We further believe that Congress would support the concept of flexibility of expending money to meet the greatest needs; whether it be to serve students or to develop special projects. It is in our judgment a commonsense issue.

And it is, finally, about people that I want to conclude my remarks. Adult basic education affords opportunities to millions of adults for which the American dream has never been a reality. From my experience as an administrator of a State program, I can report the tremendous impact that ABE has made on the lives of thousands and thousands of Ohioans. Some of the most important results cannot be

quantified, but they can be seen and felt. How does one measure the emotion an adult feels when leaving the public assistance rolls and gaining meaningful employment for the first time?

How does one quantify the adults who for the first time are truly competitive in the job market, or who can read to their children, or who can use the freeway because the signs now have meaning, or who register to vote for the first time?

I am convinced beyond any semblance of doubt that Federal funds for adult education programs represent one of the most prudent investments that Congress makes in public education.

Thank you for hearing this plea for flexibility in management and wise utilization of funds. Adult educators throughout the Nation are grateful for your consideration.

At this time, we hope that Mr. Ryan and Mrs. Turner would be allowed to make a brief statement.

Mr. LEHMAN. We have a few minutes for each to make a few remarks. We are happy to have you here.

STATEMENT BY JOHN RYAN, CHAIRMAN OF THE NATIONAL COUNCIL OF STATE DIRECTORS OF ADULT EDUCATION

Mr. RYAN. Mr. Chairman, and subcommittee members, as you well know, 54 million Americans have not completed secondary education in this great land. Under the adult education act, States are being asked to assume new responsibilities in addition to elementary and secondary education. Namely, bilingual education, education of the elderly, linkages with CETA and manpower programs, all of this with no significant increase in funding.

Program demands far exceed our ability to fund adequately.

Although the strategy of forward funding does not increase the amount of money granted to the States, it will result in a more stable fiscal base and should make it possible to bring an adult education program to the people on time.

It is simply a matter of good management fiscally and programmatically.

Public Law 93-380 requires that States expend not less than 15 percent of State grant money on teacher training and special projects. The States should not be put in a position of losing money, should the 15-percent level not be achieved.

For instance, if the States were to receive \$1 million in grant money, that State would be required to spend \$150,000 in special projects and teacher training. That would develop the priorities for the State, and also send out requests for proposals.

Now, if the proposals that come for the State are not good proposals, or a limited number of them are good proposals, then we only fund a \$100,000 level, then there is \$50,000 that we have unexpended. That money conceivably could be lost from the State back to the Federal Government, and obviously the larger State grants, the more chance there is of losing money, then, from the State back to the Federal Government.

The law should allow States a margin of flexibility and encourage them to meet the needs of people rather than spend money to meet the letter of the law.

There are times when States might exceed an expenditure of 15 percent for teacher training, and special projects, that would be when the need dictated.

There are times when program needs will dictate that some of the 15-percent money might better be spent on program. The deciding factor would be the needs of people. They are the ones we are all here to serve.

I respectfully submit that changing the law, Public Law 93-380, to read "not less than 5 percent will be expended on special projects and teacher training" would give the States the needed flexibility. Money would not be lost by the States and the needs of people would be met.

As with forward funding, although no additional money is added to the program, it would seem that the proposed 5-percent rule is simply a matter of good management, fiscally and programmatically.

Teacher training and special projects are important to the future of the adult education program and should be implemented in a creative, fiscally responsible way. A change in the Adult Education Act requiring not less than 5 percent be expended for teacher training and special projects would be both creative and fiscally responsible.

I respectfully request that this proposal be acted upon.

I thank the subcommittee for this opportunity to speak in support of this proposed change in section 309 of Public Law 93-380.

Mr. LEHMAN. Thank you very much, Mr. Ryan.

Mrs. Turner, if you would like to make a few remarks.

STATEMENT OF MARY TURNER, CHAIRPERSON OF THE NATIONAL COUNCIL OF URBAN ADMINISTRATORS OF ADULT EDUCATION

Mrs. TURNER. Thank you, Mr. Chairman and members of the subcommittee, I will be very brief in reinforcing the statements of Mr. Ryan and Mr. Miller.

I am Mary Turner representing the urban administrators. I think that the urban administrators feel the impact very much of the two recent major, national crises, and the impact on the situation.

The population increase, because of the evacuation from the East, and the enrollment increase that we are already feeling because of the unemployment picture. In many of our centers, already, enrollment has tripled with the large proportion of the increase being in adults, ages 16 to 18, who require a whole different type of service, as we attempt to rescue them for an improved job market, and to upgrade their skills.

The impact of the mandated 15 percent poses a great problem for urban administrators who already are stretching out bodies in terms of staff, and stretching funds. We respectfully request that the amendments be affected to mandate only 5 percent.

As it stands now, we are getting proposals that have very little value, many of them, but because of the mandate of up to 15 percent we will have to fund them, or, as Mr. Ryan has pointed out, we will lose money.

These funds could be expended far more effectively to improve the program and to meet the needs of the population, and the great increase that we have had.

Thank you very much.

Mr. LEHMAN. Thank you.

I think all the witnesses have testified, and now I would like to open it up for questions.

I have one or two brief questions that I would like to put to Commissioner Turlington, who is from my State, and anyone else who would like to respond to this.

Under part D, the provisions of this act that relate to section C, where it says "State and local funds will be used in districts to provide services * * *." This is the comparability provision.

In the State of Florida where we have an educational funding program, what can we do to simplify Florida's answer to this particular provision without being under the guns for possible violation.

Mr. TURLINGTON. I think the language in the law is quite broad, and the Office of Education could very readily, on a State-by-State basis, take into account the different aspects.

Mr. LEHMAN. In that case, the States such as Florida that have mandated such laws should be under a different kind of overview from the Office of Education than those States that have not gone into this.

Mr. TURLINGTON. We think we have a program that actually will be flexible in the approach to comparability. It will give greater comparability and fairer comparability to the individual students and the individual school than the present regulation.

Mr. LEHMAN. Let me follow that up with another question. In the Dade County schools we have, I guess, 20 or 30 title I schools. To see, on the second of the year, that every one of these schools is above the average in comparability is sometimes very difficult.

It can be on a momentary basis where they don't have enough certified teachers, or they don't have enough particular areas to cover. In that sense, if the school dips below the comparable level in proportion to the whole title I program, and maybe we have 250 schools in the system, that school funds are withheld until a reexamination sometime in December.

During that time, they are without, or even after that time, they are without title I funds on a month-to-month basis, which hurts that school system financially. What can we do, so that it can be a more realistic approach to the comparability requirements? What can we do to see that the school is not penalized?

I think that this is a hang-up that we have in our Dade County system.

Mr. TURLINGTON. On that point, I am not certain that the law would have to be changed. I think that Mr. Costa could speak better on that than I could.

It is far easier for a small district to be in comparability than it is for a large district. We have a district, for example, with a single school. I am sure that they are comparable.

In a district such as Dade County with over 200 schools, the rule is now that you simply have to have every single project school must be above the average of all the nonproject schools, and that is at any given point in time. It has to be not only on a dollar basis, but on a staff basis as well.

A person leaving the school and not being replaced, for example, could throw you out of comparability. It is that precise.

What I am trying to do is to find a way to unburden us from this problem, either by the kind of language which we suggest for the Office of Education to write, or whether the committee could deal with that problem.

Mrs. Lewis' opinion is that it be left as it is, and it could all be treated by regulation.

Mr. LEHMAN. You are saying that this committee should make its opinion known, perhaps, to the U.S. Office of Education? That in a system, such as Dade County, they should not be unduly penalized if one school hit below in one category, at one point in time, below the comparability?

Mr. TURLINGTON. Yes, obviously.

The districts where we are having the greatest difficulty are not our small districts, but our large districts that are sincerely trying to do an excellent job on comparability. Where you have that large number of schools, it is not going to be in comparability every day of the school year. There is no way.

Mr. LEHMAN. You cannot have a five hand poker game, and five winning hands all the time.

Mr. TURLINGTON. You can offer them hope, but it is impossible.

Mr. LEHMAN. Another quick item, and this is the effect of impact aid on this kind of a situation. How do you deal with the effects of impact aid on the small size school system, and how does it affect the comparability factor, if it affects the comparability factor?

Mr. TURLINGTON. The impact aid goes to the district, and would be simply included as district funds. I don't think in that regard it would affect comparability.

Mr. LEHMAN. Impact aid into a small county of a couple million dollars, there is no rule that this impact aid shall be equally applied on a per pupil basis per school. Impact aid is not included in your general funding program.

It does not apply where it can throw a school system out of proportion on the comparability factor. Is that true?

Mr. TURLINGTON. That would be true. We don't take it into account in our program funds. We do not take into account programs that I described earlier this morning, any of the Federal funds.

We take into account only the State and local funds under our system.

Mr. LEHMAN. Does the Office of Education take into account the impact aid money as a factor in determining whether schools are comparable?

Mr. TURLINGTON. Yes; they do, but it has nothing to do with comparability. Impact funds really is something that needs to be reworked, and I think are grossly misunderstood. I think that is one of the least effective programs for which you are spending our tax dollars, and your tax dollars.

Mr. DALEY. May I respond also to one of your questions?

I wanted to say—part of your question is what we do, or what we can do, particularly in terms of the question that I raised about maintenance of effort. The law and regulations governing title I say that

maintenance of effort has to be kept, unless there is an unusual event. We suffered some very heavy losses, and the Office of Education did not say a thing to us until May of 1974.

Then, the chief State school officer was able to say what the unusual event was. We said that the levy losses were unusual events and, therefore, we did not have a maintenance of effort problem.

Now they are telling us that this is not the case. We hope that you could prevail upon the Office of Education to reinterpret that so that we can, when we have that sort of circumstance, say that it is an unusual event, and we don't have to penalize the district by taking away their Federal aid money.

Mr. LEHMAN. These are all the questions I have.

Mr. Buchanan, do you have any questions?

Mr. BUCHANAN. I want to thank all the members of the panel for your statements. I am sure that the committee and the committee staff will give careful consideration to the various points that you have made.

Of course, I gave special attention to the statement of Billie Mellown. I know that you speak from the point of view of substantial experience and expertise in working with those programs.

You have made a series of recommendations concerning the problem areas and implementing programs that have been created by Public Law 93-380. I would like to go over this with you, if I may.

Some of your points have been relative to changes that must be made by this committee relative to the administrative law. And others to changes which could be made by HEW. I would like to make that delineation.

First of all, for example, you indicated that under ESEA title IV, States are required to develop and utilize one application for the entitlement program and the discretionary program, and you pointed out in that connection the problem of the requirement for the single application.

This, of course, would entail a change in the law. Is that correct?

Mr. MELLOWN. That is correct. The States, as it is now, are required to ask the LEAA for one application for all of part IV, all of title IV. This presents a problem in that part B funds are purely categorical programs. In part C it is discretionary funding.

It is very difficult to develop an application that would apply to both of those categories. It is going to, in fact, entail much more paperwork on the part of the local system to get this than if we could have single applications.

I think in many cases—in Alabama, we are having one application, and we are going to have a part B and a part C in that application, to simply try to overcome this problem. It is a problem that is passed on to the States, and it is a problem that the States have to, in turn, pass on to the education agencies.

Mr. BUCHANAN. You indicated that 29 States are experiencing cut in administrative funds under title IV. They want more money. There are several things that you mention that appear to be much more under the jurisdiction of the Office of Education.

You propose that the States applying for part B and C to be accounted for separately.

You propose that the State advisory councils recommend projects for funding, and point up the need for flexibility with regard to the maintenance of effort. You point out that these agencies should be allowed to use part B funds to continue operating statewide testing programs.

You speak of the change in the method of allocating funds under part C.

All these things appear to be in relationship to recommendations to the Office of Education rather than necessarily entailing a change in the law itself. Would that be correct?

Mr. MELLOWN. I would assume that the law would have to be changed.

Mr. BUCHANAN. This would require some amendments to the law.

Mr. MELLOWN. We would hope that this committee might express itself concerning these problems, and by so doing influencing the Office of Education to change those regulations which, hopefully, will give us more flexibility in working with the locals.

As you know, the proposed rules were published and we all made comments to those proposed rules. We want to see what happens to those proposed rules until they are published in the final form.

Then, the Congress can react to them, and we would hope—I am not sure about this, but I believe that this committee or the Congress either has to accept or reject the rules at that point. You cannot make technical changes within the rules. Is that correct?

Mr. BUCHANAN. We can object.

Mr. MELLOWN. If this committee could express its concern about these rules, it might help us to get some of these things changed without having to reject the entire package.

Mr. BUCHANAN. Have you expressed your concerns to the Office of Education itself?

Mr. MELLOWN. Yes; we have within the 30 days period provided in the rulemaking policy.

Mr. BUCHANAN. Has there been any response?

Mr. MELLOWN. Yes; they have acknowledged having received our statement, but that is the extent of it.

Mr. BUCHANAN. You think that an indication of interest on the part of the committee at this point might help.

One point appears to pertain to questions of interpretation of law. You point out that the Office of Education have indicated that funds must be expended for reasons expressed under part C, regardless of State and local needs.

Now, this would appear to be a matter of clarification of the law.

Mr. MELLOWN. That is right.

Mr. BUCHANAN. Are you asking us to spell that out in the law?

Mr. MELLOWN. Our fear is that in the proposed guidelines that would come out from OE they would spell out substantial funds in such a way that we would not be able to live with that. What is substantial funds, is it 20 or 40 percent, or is for 40 to 60 percent, or 75 percent.

We would like the flexibility of saying "substantial funds" but we are fearful that after we have developed the program, developed the formula, the Office of Education, or the HEW Audit Agency might

define what substantial funds are, then we would be hard hit based upon their definition.

We would much prefer to have this committee define that in some sort of terms that would allow the States to have stability.

There is a definition by the Office of Education, and they have every right to make that interpretation, but we are saying that the interpretation fails to meet the interpretation that we would make of the same law, the same section of the law.

Mr. BUCHANAN. Now in ESEA title I, you ask questions about teacher training, and this pertains to regulations, what these might include.

Again, it appears to me that this is an OE matter.

Mr. MELLOWN. We would hope that this committee might further help define what it intended be included. We support the concept of teacher training in title I programs. We have been burned once by the HEW Audit Agency about teacher training in earlier programs, so we would like this clearly defined so that we don't have to argue with HEW Audit Agency, or the Office of Education at a later point to determine exactly what this committee meant when they said that we might have teacher training as part of the title I program.

Mr. BUCHANAN. I appreciate so much the testimony and response to the questions. It is going to be of great value to us.

Mr. MELLOWN. Thank you.

Mr. BUCHANAN. One thing more, Mr. Miller, could you give me some idea of what effect the 15 percent set aside for the special programs would have on the funding of other educational programs?

Mr. MILLER. In the survey that we took in 50 states, 34 states responded. Out of the 34 States, the smallest increase in enrollment last year was 11 percent, and the highest was 46 percent. This is due primarily to the unemployment factor.

Some States have had an increase of a lesser degree but all States have been reporting increases. Our plea, essentially, is that the program — \$67.5 million nationally, which is not a huge sum, but the ABE program is one that is able to operate efficiently, and we can provide a lot of services for the dollars.

Our plea is that we have to make decisions, and the decisions should be made services to adults rather than mandating, or absorbing the expenditures for special projects.

I would further add that the proposal we suggest does not eliminate special projects. I would suggest that many States were providing money for these purposes out of their own funds prior to the enactment of this provision.

I plead for service to the adults. It is awfully difficult to say "no" to an adult at this point in time.

Mr. BUCHANAN. Thank you very much.

Mr. LEHMAN. Mr. Simon.

Mr. SIMON. Let me toss a more general question. Sometimes we come in here and talk about details on this, and details on that. Since we have a variety of States represented. If you could, in a few sentences, suggest where you think we ought to be 10 years from now in the field of Federal, State, and local relationship in the field of education, and whether we are moving in the proper direction.

My concern is that sometimes we get so wrapped up in all these details that we don't really sense where we are going, or where we ought to go.

Mr. MELLOWN. Does your question go to adult education?

Mr. SIMON. I assume that Mr. Miller will address that specifically. I want to know beyond that.

Mr. MELLOWN. I am not at all sure that I can indicate where we should be 10 years from now. I do feel that there are some goals that we should attempt to achieve.

After all, the tax structure as it is now set up calls for more and more funds coming in from the Federal level. We would hope that those funds might be shared liberally with education, equal education.

As important as money would be the matter of Federal, State, and local involvement in the public education to the extent that we further define the leadership that I mentioned earlier, so that we see the States and the Federal Government and the locals working together for the girls and boys in our States.

There would be more and more involvement on the part of all three levels in setting priorities for education, and setting the kinds of goals that the public wants for education. Certainly in terms of doing these kinds of things that we get closer together so that we don't have to deal with the kinds of things that we are talking about here, that we might be talking about those objectives, the specifics of education as we move through this rather than having to take your valuable time submitting the details, the very important details in terms of how we should work.

Mr. SIMON. Your feeling is that we are moving in the right direction, as far as the participation, we may not be moving in the right direction.

Mr. MELLOWN. That is true, yes. We have had a number of problems trying to really get involved in the development of the regulations. We have had problems in the development of regulations.

We are on the outside looking in, and this has been a problem to us.

Mr. MILLER. If I may answer your question. I would suggest that this committee may want to look, from a futuristic point of view, at the future of the ABE program in the education scheme of things.

I think that it is fair to say that in some sense the ABE program is on the periphery of the educational framework. I think that there are a couple of considerations. First of all, I think that we can document that the expenditure of moneys for ABE is an investment, it is a wise investment of the tax dollar.

I talk about our State alone, because I can talk about that with some authority. For every dollar that is invested in the ABE program in Ohio, whether it be a Federal dollar or a State dollar, we are getting currently a \$7 return.

That is based on the number of adults that are being moved through the public education, and moved to employment. We might be affected a little adversely this year, but these were compiled last year.

We are investing a lot of money in compensatory programs for children, title I programs. When you look at some of the current research, the preschool projects, and the resulting effects on children. The ABE program has a major role to play as a partner with many of the pro-

grams you are funding. The premise being that if we are going to help children, we ought at the same time to direct services to the parents.

This is a very complex problem in this society. The family oriented education program is one which makes a lot of sense. This committee may want to address itself to that more specifically.

Mr. COSTA. I would like to comment briefly on your question. It has been said that education is a national concern and a State function, and it is a local responsibility. As embodied in this concept called "federalism," a partnership between the national, State, and local agencies.

I think that the Congress in its concern for education sometimes becomes overenthusiastic in trying to deliver services directly to the door of the people who are going to use it, therefore, bypassing those State agencies that are responsible for these functions which are to provide education, the States and the departments of education.

The Congress, then, places itself in a position of being the providers with the Office of Education of programs within the States, which are outside of the jurisdiction of the Federal Government.

I further believe that any set-aside in any legislation this Congress passes has its detriments, too. To continue to fragment programs to set aside to special interest groups, you build up another hierarchy bureaucracy in the education program, and this causes hardships at the State and local level.

It causes hardships in reporting back to the Congress the ultimate effect of all these programs that have been evolving. We think that the Congress concern for education ought to seek to be a partner in the enterprise of education, and not be the funder, the producer and director, and everything else.

I don't mean any of this to be derogatory to Congress.

Mr. SIMON. Thank you.

Mrs. TURNER. I would say that schools are probably a State responsibility, and I hope that they always will be. I think that there is some security to a nation that has its educational program divided among many entities as opposed to a single entity.

It may well be that having a single fountainhead for education because we believe that our system may very well be far superior to it.

I think that it is very easy to take a very small percentage of funds and seek, in effect, to really operate a system. Let us take special education as an illustration of that.

We receive for special education from the Federal Government about \$3 million for training of handicapped children. This represents a very small percentage of what we actually spend on these programs.

Yet, when you consider the regulatory aspects and conditions under which the \$3 million come, your operating efficiency might be better if you did not have those funds.

I think that you seek to take a disproportionate part in the decision-making and operational aspects of such programs than the amount of money you are putting in should entitle you to put in it.

Generally, I would be far more supportive of more general education aid, not because States would not meet with their responsibilities, but basically because the Federal Government is a better tax collector than our States, just as the State governments are better tax collectors than our local governments.

Money has to be collected where money is, and it should be sent where the needs are. I am not anxious, for example, to see additional

funding come from the Federal Government if it has with it a disproportionate amount of restraints and regulations to go with it.

Mr. DALEY. If I may expand a little bit on the political dangers of decentralizing education systems. One of the proposals that seems to be current about the future Federal involvement in education is that it share a third of the responsibility for the financing of schools, that the States should share a third, and the localities share a third of the responsibility.

If that responsibility were divided in such a way, it would be generally within the kinds of restraints that I have seen in other kinds of programs that come from the Federal Government.

We have had some concern about that. At least, we think that the categorical program, or the kinds of specific controls that the Federal Government now provides are probably the best approach.

The authorizing legislation that you have reflects substantial amounts, far beyond what the actual appropriations have been from Congress. We hope that you would proceed with deliberate speed in the direction of funding the programs in the statutes.

In addition, I think there are two things that we need some help with. One of them is that we need some assistance from the Federal Government to force our legislation as to where the funds go. This is true not only in our State, but in other States as well.

There is some element in Public Law 93-380, if that were done, the States would be able to assume a better role, or a more responsible role in this partnership.

In addition, we believe that we need some additional aid to strengthen the State leadership and the State offices of education, our own included.

Both of those, I think, reflect our concern of the States being able to do a better job so that the Federal Government will not have to step in and do a more controlling effort in education.

Finally, since most of the regulations about the future reflect further centralization of our technology and our political system, and part of our economic power, I think, to look as much as we can toward building very strong individual programs for support of other things such as health and families, so that the political dangers that I alluded do not come to fruition.

Mr. SIMON. Thank you very much.

Mr. HALL. Mr. Jeffords?

Mr. JEFFORDS. I want to commend the members of the panel for the very fine statements that they have made today, and also the statements of philosophy which I totally agree with. I would like to get us back a little more to the present, and specifically I would like to ask, if it is possible, one question.

I was very impressed by Mr. Costa's testimony and by the great deal of work that went into the preparation of the testimony. I am especially concerned with the matters set forth in table A-3 of your material.

I would like to inquire a little bit about that. As I understand that table, it indicates to me that some States are going to get rather significant decreases in funds during fiscal year 1977 as compared to the present program levels of fiscal year 1975. Is that correct?

Mr. COSTA. That is correct.

Mr. JEFFORDS. I see increases of up to 25 percent for some States, but more importantly I see a decrease of more than 50 percent for some of the small States. In other words, they will be getting, as I understand your testimony, about half of the money that they are getting in fiscal year 1975.

Wyoming, for example, will be getting even less than 50 percent in 1977 as compared to what they are getting in 1975. Am I reading your table correctly?

Mr. COSTA: That is correct.

Mr. JEFFORDS. Many of the other small States are going to have very large decreases in the program funding for fiscal 1977. Is that correct?

Mr. COSTA: Yes.

Mr. JEFFORDS. Your State will be getting around 40 percent.

Mr. COSTA: Very close.

Mr. JEFFORDS. I have some interest, being from Vermont, that we will have between a 40- and a 50-percent reduction.

Just two more questions. You have mentioned some problem, of course, with the program funding, and the difficulties that this drastic cut in funds will create. I wonder if you could elaborate a little bit on the program funding, and whether or not you can give us any specifics as to what your State will have to do to face that drastic cut in funding.

Mr. COSTA: I have two answers to that question, and then I will come back with another answer.

On table 5, immediately following page 5 of the text, there is a workup page that we have developed for the State of Nevada in preparation for planning for fiscal year 1976, and fiscal year 1977.

We took a look at 93-380 and saw what kind of funding we could expect for those 2 years. We suddenly realized that the formula was working to our detriment, and the salvation to us was in 1976 with 50 percent consolidation and 50 percent categorization.

Everybody is going to be able to have some programs in 1976, but in 1977, the equipment, guidance and counseling for the State of Nevada will be \$358,000, that should be flowed through the school districts for use in the program.

So, if we are going to administer the program, the money will be taken out of that fund, because there is no money in the consolidation to take the administration out because of the set-aside for title V purposes to fiscal year 1973.

We built this chart to illustrate what would happen if the State suddenly takes the set-aside from the \$358,000 in our case, and we are actually receiving \$371,000. So we are \$20,000 short there of meeting the 1973 set aside.

We will have no funding whatsoever; if the State wants it to be that way. Consequently there is no administration money taken out of part C, because there is not any to take out. So, the administration money is taken out of part B, which comes out of library, books, and counseling services for schools.

That means that the personnel will have to be picked up either on the payroll of some other program, or terminated. Any expenditures for equipment, or library resources will have to be curtailed, or reduced.

As I said earlier, we will have no innovative or supplementary center activities in Nevada, if you follow this chart here. We have not

made the decision for 1977, so I cannot specifically answer the question as to what is going to be cut, those are the possibilities.

Our State department of education will call for a reduction of staff, undoubtedly, about six professional persons and three clerical persons. If that is the decision that they make.

The other answer to your question is—it seems to me that what happens here is a new question because the Congress never intended for this kind of thing to happen. So, just on a matter of principle, it seems to me that the Congress needs to go back and take a look at this thing, and say: "We never intended for this to happen. Therefore, let us make restitution to the parties."

So, then, we will not have to make the hard decision as to what is to happen next year, if you decide to change the formula and reduce the funding. Let everybody else know about it, before you do anything about it.

Mr. JEFFORDS. With respect to your alternatives that you list, I think there are two of them that seem fairly reasonable in your eyes, alternatives two and five.

Mr. COSTA. Alternative No. 2 has the greatest amount of support.

Mr. JEFFORDS. I would like to understand those two alternatives. As I understand alternative 2, what you are saying is that in order to keep the small States at the 1974 funding level, all we would need to appropriate would be the initial \$14 million, so that they would not receive a loss.

Mr. COSTA. That is partially correct.

In order to keep any State at the 1974 level, it would take \$40 million. You see on the table, when we are talking about part B for 1976. Puerto Rico is the biggest loser in that particular area.

In table 2, part C, for 1976, the smallest States become the losers because the funds have been wiped out. In part B for 1977, the biggest losers are the outlying areas, and the biggest loser is Ohio and also Pennsylvania and Nebraska are the largest losers under part B. These are the library resources, the equipment, counseling activities.

In part C, again the small States become the losers. Part B, it seems, favors the big States. Part C favors the big States. So it is a ratification for all the States, regardless of whether they are small or large, because of the strange shift.

Mr. JEFFORDS. That does not take into consideration the inflation which has occurred since 1974, which we fear may occur in 1976 when they will be getting a reduction in their level of funding, as far as real dollars go.

Mr. COSTA. Yes.

Mr. JEFFORDS. Mr. Chairman, this is all I have, except that I would ask permission for other States to be affected by this funding formula change to have time to insert in the record what possible action they may take.

Mr. HALL. The record will be open until June 20.

I have no questions, so on behalf of Chairman Perkins, I want to thank everyone for their presentation.

Mr. TURLINGTON. May I make one comment.

A little earlier we had the question about what is going to be cut. States have governments that are able to make new decisions, and

adjust to new situations. You say that something will have to be cut, if Congress does not do so and so. It may well be.

We, in the States, have some responsibility in adjusting to what the priorities ought to be. I don't like to leave testimony with the impression that States are not perfectly capable of handling these policies very adequately.

We have taxing authority. We have decisionmaking authority. We should expect to exercise that authority. I cannot help but make that statement to be consistent with the other position that we have, that we should be responsible overall for the education program within our States.

I think that we have constitutional mandate to do that. We have the responsibility to do that. There is nothing about State governments now that is different than used to be the case.

Florida was the worst apportioned State in the country, taking both the Senate and the House, and we really were not reflecting the people's needs and the people's desires within the State.

Now, every single State has an apportioned legislatures. We are responsive to people as we have never been before. I think the States should be given and provided far more flexibility and far more discretion in utilization of Federal funds than they have been in the past.

Mr. HALL. Is there anyone else who would like to make a concluding statement?

Thank you very much for coming. We do appreciate your fine testimony.

The subcommittee will adjourn at this time subject to call of the Chair.

[Whereupon, at 11:45 a.m., the subcommittee adjourned subject to call of the Chair.]

[Material submitted for inclusion in the record follows:]

~~PREPARED STATEMENT OF HON. VIRGINIA SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEBRASKA~~

Mr. Chairman, and members of the subcommittee, thank you for the opportunity to present this statement during your important oversight hearings on the Elementary and Secondary Education Act.

It is essential for me to point out at this time that my state of Nebraska is one of the 17 states which stand to lose because of the change of formula in allocating funds under Title IV of ESEA as a result of the consolidation of certain categorical education programs as mandated by PL 93-380.

When this change was made, I am certain it was not the intent of Congress to put any of the states at a disadvantage as far as the funding of these programs is concerned. The intent was to simplify procedures and to improve the administration and management of the programs involved.

If the present formula is allowed to stand, however, Nebraska would lose \$123,178 in Fiscal Year 1977 when the full consolidation takes place. This results from basing the allocations solely on the number of children in the 5-17 age bracket, and in removing the "floors" which were designed to insure that there would be adequate funding for at least a minimum program in each state.

Now, I grant you that in the breakdown of the projected losses for each of the states under this formula change, Nebraska suffers the least. The \$123,178 which would not be available to us in Fiscal Year 1977 is just a small percentage of the overall total, but any reduction of funds for these programs, no matter what amount, will be keenly felt. I have discussed this prospect with officials in the Nebraska Department of Education and have been told that "this amount of funds would allow for several projects in the local school districts."

Permit me to quote from a letter I have received from Mrs. A. Esther Bronson, Director, Title IV ESEA, Nebraska Department of Education: "When allotments were computed at the national level based only on the numbers of children aged 5-17, without a floor as in previous legislation, less populous states suffered a decrease in their allotment. I feel the intent of Congress was not to have states suffer a financial loss under program consolidation and that the elimination of a floor for each state was unintentional. The Nebraska State Department of Education seeks your support of a technical amendment to reinstate a floor in Part C of ESEA Title IV, PL 93-380."

Mr. Chairman, I respectfully request that serious thought be given to correcting any and all inequities which will result from this change. Technical amendments to the Elementary and Secondary Education Act are now under consideration. One of the amendments which must be adopted is one which will provide protection to the smaller states who will suffer under an allocation formula which does not provide a floor of some kind to insure a minimum program when other criteria cannot be met.

Thank you for permitting me to represent the interest of my state in emphasizing the need for an amendment which will prevent serious damage before it can occur.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 2, 1975.

Hon. CARL D. PERKINS,
*Chairman, Education and Labor Committee, U.S. House of Representatives,
Washington, D.C.*

DEAR MR. CHAIRMAN: I would like to take this opportunity to raise several points with respect to the oversight hearings being held on the Elementary and Secondary Education Amendments of 1974 (P.L. 93-380). There are two specific issues, which though small, are of great concern to me and the constituency I represent.

As you well know through your past efforts, the Commonwealth of Puerto Rico was removed from the former set aside basis and a new allocation formula was devised aimed at improving the educational system of Puerto Rico, which is heavily impacted with disadvantaged children.

In Section 125 of the Act, which deals with State Agency Programs, there is a hold-harmless provision which applies to every jurisdiction, with the exception of Puerto Rico, which is theoretically covered by Section 843. The reality and effect of leaving Puerto Rico out of the hold harmless provision was grim. The U.S. Office of Education informed me that unless the Commonwealth received a hold harmless provision with the rest of the jurisdictions, the state agency programs would be decimated and virtually destroyed.

The programs affected are as follows:

Program	Children ADA	Fiscal year 1974	Fiscal year 1975
Title I—Handicapped.....	1,370	\$561,573	\$262,821
Neglected and delinquent.....	880	432,000	168,819
Adult correctional.....	286	211,169	54,666
Migrant's (1st year of participation under (Public Law 93-380).....			

Initially the situation was even worse because for FY 75, Puerto Rico was limited to 50% of entitlement (Half of the above FY 75 figures). As an expedient measure, Senator Hathaway of Maine was kind enough to offer an amendment to H.R. 16900, the appropriations bill, last November, by which Puerto Rico would be assured the same level in FY 75 that it received in FY 74. You actively supported this measure in the House, for which I am thankful.

But the amendment to the appropriations bill left the basic flaw in the authorizing legislation unrectified. I have recently introduced a bill, H.R. 7121, which would guarantee a continued level of funding at the FY 74 level until present law expires. I hope that the Committee and the full House will see fit to rectify this oversight so as to carry out the intent of the law, which in all cases was to ameliorate the critical education realities in Puerto Rico.

A second and related problem which I am concerned about deals with the new Title IV consolidation. I have been informed by HEW officials that some type of technical amendment is needed to assure the Commonwealth of Puerto Rico's participation in these programs. Apparently the technical and conforming amendments did not reflect the fact that Puerto Rico was included in the Title IV provisions, though such was obviously implied. Since applications are now being received from state and local education agencies, this places a special burden on our system, since our state educational agency has been cautioned that they may not be able to receive funds until such rectifications are made in the law. I hope that this situation can be laid to rest so that the Title IV programs can be smoothly implemented in the Commonwealth of Puerto Rico.

Thanking you for your understanding and assistance in these matters I remain;

Cordially,

JATAR BENIEZ

**IMPACTED AREA SCHOOLS INFORMATION SERVICE,
National City, Calif., June 2, 1975.**

Mr. Chairman and Members of the Committee:

We understand the Committee will consider technical amendments to P.L. 93-380 and would like to direct attention to two areas for your consideration. Both of these items have to do with the amendments of P.L. 93-380 as relates to P.L. 874 of the 81st Congress and commonly referred to as Impact Aid.

The first item would deal with those children who qualify under the Migration and Refugee Assistance Act of 1962 (Cuban refugees) for inclusion in the Impact Aid program. Clarification as to which of the new sub-groups these children will be included with for payment purposes seems to be required. It is thought the intent was to count these children for inclusion in the "Military B" category and we would encourage the Committee to so indicate so as to clear up any misunderstanding.

The second item would deal with section No. 2 of P.L. 874—those school districts that have lost at least 10 percent of their assessed value by an act of the Federal government. Prior to the amendments of P.L. 93-380, section No. 2 districts were paid 100 percent of their entitlements and suffered no reduction or proration as a result of lower appropriation amounts.

The New Law has placed these districts apparently in Tier I of funding (25 percent of entitlement) and omitted them not only from Tier II of funding but left them out of any of the so-called "hold-harmless provisions" of the Law.

The Committee is already aware of the problems of these section No. 2 districts and I feel no need to belabor this issue. I have, however, enclosed a summary of the districts in question. We would hope the Committee would restore section No. 2 to its previous 100 percent funding status.

I wish to thank the Committee for this opportunity to comment on these adjustments.

Respectfully,

LANTSON C. ELDRED,
President.

SEC. 2, PUBLIC LAW 81-874 APPLICANTS FOR THE FISCAL YEAR 1973

[Information taken from: Public Law 81-874 SAFA maintenance and operation branch control record Aug. 3, 1974]

State and applicant No.	Sec. 2 applicant	Number of students 3A (ADA)	Number of students 3B (ADA)	Sec. 2 and 3 entitlement prorated
Alabama.....	None.....			
Alaska.....	do.....			
Arizona.....	do.....			
Arkansas:				
(1) 6004.....	White Hall School Dist. No. 27.....	57	254	57,148
(2) 0015.....	Greenwood School Dist. No. 25.....	0	50	29,409
(3) 1306.....	Mineral Springs S. D. No. 3.....	0	61	9,144
(4) 1906.....	Magazine School Dist.....	0	11	4,685
(5) 2008.....	Waldrum School Dist.....	3	132	29,097

SEC. 2, PUBLIC LAW 81-874 APPLICANTS FOR THE FISCAL YEAR 1973—Continued

[Information taken from: Public Law 81-874 SAFRA maintenance and operation branch control record Aug. 3, 1974]

State and applicant No.	Sec. 2 applicant	Number of students 3A (ADA)	Number of students 3B (ADA)	Sec. 2 end 3 entitlement prorated
California:				
(1) 0002	Hueneme School District	681	1,838	667,667
(2) 0052	Fallbrook Union High School	129	274	537,650
(3) 0039	Fallbrook Union School Dist.	413	498	938,023
(4) 0131	Atwater School District	1,077	961	616,962
(5) 0183	Valle Linda School Dist.	0	0	105,053
(6) 0502	Los Alamitos School Dist.	346	355	317,194
(7) 1422	French Gulch-Whiskey Town School District	0	0	3,091
(8) 2015	Orick School District	0	22	31,664
(9) 2301	Oceanside Unified School Dist.	1,747	3,495	3,138,210
(10) 2306	Shoreline Unified School Dist.	5	30	261,035
Colorado: (1) 2301	Baca County RF-6	0	19	16,778
Connecticut:	None			
Delaware:	do			
District of Columbia:	do			
Florida:				
Georgia: (1) 0712	Clay Co. Bd. of Education	0	15	16,315
Hawaii:	None			
Idaho:	do			
Illinois:				
(1) 0033	Elwood Com. Cons. S. D. No. 203	16	30	14,373
(2) 1108	Giant City Com. Cons. S. D. No. 130	2	10	14,821
(3) 1612	Cass School Dist. No. 53	0	19	27,306
(4) 2205	Murphysboro Comm. Unit No. 185	0	34	7,027
(5) 2402	Ewing No. Comm. Cons. Sch. District No. 115	0	0	1,287
Indiana:				
(1) 1407	Macatawa School Corp.	1,375	386	803,504
(2) 1413	Nineveh-Hensley Jackson Union School Corp.	1	79	22,160
(3) 1704	Loogootee Comm. Sch. Corp.	105	558	130,982
(4) 2010	Greater Clerk Co. Comm. School Corp.	5	1,883	352,055
Iowa:				
(1) 0805	Pleasantville Comm. Sch.	0	41	21,240
(2) 1703	Soton Comm. Sch. Dist.	0	38	35,306
(3) 2301	Clear Creek Comm.	7	45	48,375
(4) 2401	Moreyville Comm. Schools	0	0	23,201
Kansas:				
(1) 1706	Independence Unif. S. D. No. 446	0	87	29,216
(2) 1713	Unified School Dist. No. 260	1,017	1,468	936,363
(3) 1720	Unified School Dist. No. 475	2,719	1,804	1,519,772
(4) 1723	Riley Co. Unif. S. D. No. 378	0	104	43,450
(5) 1731	Unified School Dist. No. 287	0	42	9,887
(6) 1819	East Hights Unif. S. D. No. 324	0	0	6,637
(7) 1820	Waconda Unified S. D. No. 272	0	0	20,295
(8) 1827	Osoto Unified S. D. No. 232	6	17	51,534
(9) 1830	Unified School Dist. No. 473	0	301	56,953
(10) 1833	Unified School Dist. No. 343	3	46	15,719
(11) 1836	Unified School Dist. No. 340	0	0	10,025
(12) 1838	Oskaloosa Unif. S. D. No. 341	0	42	14,343
(13) 1846	Blue Valley Unif. S. D. No. 384	0	0	53,022
(14) 1856	Unified School Dist. No. 227	0	0	1,906
(15) 1910	Unified School Dist. No. 379	0	111	33,557
(16) 1917	Eli Saline Unified S. D. No. 307	0	0	24,207
(17) 1919	Marais Descygnes Valley D. School Dist. No. 456	3	55	13,021
(18) 1922	Eureka Unified S. D. No. 389	0	0	11,997
(19) 2007	Burlington Unified S. D. No. 244	0	30	16,784
(20) 2102	Unified School Dist. No. 21	0	0	3,778
(21) 2302	Mankato Unified S. D. No. 278	0	0	9,357
Kentucky:				
(1) 0011	Trigg Co. School Dist.	0	118	80,269
(2) 0018	Wayne Co. School Dist.	0	0	13,608
(3) 0019	Russell Co. Bd. of Ed.	0	0	39,772
Louisiana:	None			
Maine:	do			
Maryland:	do			
Massachusetts:	do			
Michigan:				
(1) 0703	Algoma Comm. Schools	6	162	32,751
(2) 1403	Watermanet Twp. Sch. Dist.	15	51	83,790
(3) 1404	Marenisco School Dist.	0	0	12,158
(4) 2001	Baldwin Comm. Schools	2	59	18,871
(5) 2004	Ewen Trout Creek Cons. S. D.	7	76	31,529
Minnesota:	None			
Mississippi: (1) 1101	Hancock Co. Unit S. D.	0	106	22,428

SEC. 2. PUBLIC LAW 81-874 APPLICANTS FOR THE FISCAL YEAR 1973—Continued

[Information taken from: Public Law 81-874 SAFA maintenance and operation branch control record Aug. 3, 1974]

State and applicant No.	Sec. 2 applicant	Number of students 3A (ADA)	Number of students 3B (ADA)	Sec. 2 end 3 entitlement prorated
Missouri:				
(1) 0220	Chadwick School Dist. RI	0	0	2,952
(2) 0504	Reeds Springs S. D. R IV	0	76	42,033
(3) 0808	Center School Dist. No. 58	0	538	454,073
(4) 1024	Plate School Dist. R 5	0	236	45,174
(5) 1410	Ossceola I School Dist.	2	26	12,039
(6) 1701	Carter Co. School Dist. RI	7	76	16,620
(7) 1702	Puxico School Dist. R8	10	24	22,383
(8) 1707	Winona Pub. S. D. No. R3	4	94	15,600
(9) 1801	Populier Bluff S. D. R1	5	177	26,404
(10) 1808	Eminence School Dist. RI	14	41	18,760
(11) 1901	Fredericktown S. D. RI	4	71	24,344
(12) 1908	Dadeville School Dist. R2	0	0	5,522
(13) 2109	East Carter Co. S. D. R2	0	38	9,743
(14) 2202	Ripley Co. S. D. R4	3	15	4,583
(15) 2207	Clearwater Sch & Dist. RI	7	136	32,749
(16) 2303	Leesville Scho' Dist. R9	0	27	4,490
(17) 2304	Richard School Dist. R5	0	0	4,338
(18) 2305	Fairview School Dist. R11	0	0	943
(19) 2306	Marquard-Zion R6 School	3	16	3,965
(20) 2307	Oregon Co. School Dist. RIV	0	0	4,506
(21) 2308	Dord School District R3	0	0	6,127
(22) 2309	Greenville RII School Dist.	0	0	19,768
(23) 2310	Crawford County R-IIII	0	0	2,376
(24) 2402	Bradleyville RI	0	0	7,452
Montana:				
(1) 0013	Yaak E. School Dist. No. 24	0	0	1,142
(2) 0015	Sylvanite School Dist. No. 23	0	0	3,119
Nebraska:				
(1) 0005	Dreams Pub. School Dist. R-3	0	0	5,054
(2) 0011	Republican City School Dist.	0	0	14,404
(3) 0030	Alme Pub. S. D. No. 2	0	0	28,052
(4) 1202	School Dist. of Loup City	2	28	10,762
(5) 1810	Sandy Creek Pub. S. D. No. 10	0	20	8,589
(6) 1901	Central Pub. Sch. Dist.	0	0	8,879
(7) 2201	Macolm Pub. Sch. Dist.	0	0	13,627
Nevada:				
New Hampshire:				
New Jersey:				
(1) 0021	Burlington City Bd. of Ed.	0	125	135,443
(2) 2105	Sandyston Walpack Cons. S. D.	3	42	66,579
New Mexico:				
New York: (1) 0503	None			
North Carolina:				
North Dakota:				
Ohio:				
(1) 0009	Exempted Village S. D.	0	0	42,335
(2) 0001	Mad River Twp. S. D.	1,932	1,232	974,131
(3) 0227	Southeast Local S. D.	17	51	83,396
(4) 1305	Maplewood Local S. D.	0	0	15,439
(5) 1606	Rocky River City Bd. of Ed.	0	0	5,391
Oklahoma:				
(1) 0031	Haywood I. S. D. No. 88	0	51	8,113
(2) 0036	Canadian I. S. D. No. 2	0	17	6,378
(3) 0040	Fenshewe D. S. D. No. 39	0	0	4,196
(4) 0041	Tefios I. S. D. No. 13	0	34	9,015
(5) 0053	Eufaula I. S. D. No. 1	124	154	73,446
(6) 0056	Hodgen D. S. D. No. 14	0	38	5,771
(7) 0413	Sand Springs I. S. D. No. 2	0	0	1,048
(8) 0431	Locust Grove I. S. D. No. 17	32	38	28,208
(9) 0503	Foyill I. S. D. No. 7	0	11	3,875
(10) 0603	Londale Dep. S. D. No. 70	19	4	11,730
(11) 0619	Braggs I. S. D. No. 46	8	28	11,143
(12) 0732	Cleveland I. S. D. No. 6	0	102	13,946
(13) 0802	Little Axe D. S. D. No. 70	59	43	31,622
(14) 0812	Vien I. S. D. No. 2	36	57	23,960
(15) 0840	Kingston I. S. D. No. 3	8	40	17,899
(16) 0844	Reydons I. S. D. No. 6	0	0	4,185
(17) 0859	Chelsea I. S. D. No. 3	0	0	5,051
(18) 0867	Crawford Dep. S. D. No. 11	0	0	914
(19) 0917	Colbert I. S. D. No. 4	0	14	3,939
(20) 1011	Wister I. S. D. No. 49	7	16	8,995
(21) 1024	Alliwe I. S. D. No. 50	0	0	11,829
(22) 1108	Prue Dep. S. D. No. 50	0	0	1,577
(23) 1113	Butler I. S. D. No. 46	0	0	5,089
(24) 1114	Keystone Dep. S. D. No. 15	0	0	4,131
(25) 1208	Fell S. D. Burkett	6	21	6,295

SEC. 2, PUBLIC LAW 81-874 APPLICANTS FOR THE FISCAL YEAR 1973—Continued

[Information taken from: Public Law 81-874 SAFRA maintenance and operation branch control record Aug. 3, 1974]

State and applicant No.	Sec. 2 applicant	Number of students 3A (ADA)	Number of students 3B (ADA)	Sec. 2 and 3 entitlement prorated
Oklahoma—Continued				
(26) 1404	Dewey I. S. D. No. 8	3	34	6,153
(27) 1415	Reid I. S. D. No. 10	0	0	2,523
(28) 1418	Stone Chapel I. S. D. No. 39	0	0	1,092
(29) 1601	Eagletown I. S. D. No. 13	0	0	5,138
(30) 1604	Marietta I. S. D. No. 16	0	0	1,942
(31) 1611	Bowring I. S. D. No. 7	0	0	4,426
(32) 1702	Heavener I. S. D. No. 3	0	0	3,032
(33) 1704	Keys I. S. D. No. 6	17	5	10,038
(34) 1710	Gum Springs I. S. D. No. 69	0	0	2,870
(35) 1902	Kent I. S. D. No. 43	0	41	15,234
(36) 2003	Silo I. S. D. No. 1	0	6	2,175
(37) 2009	Kaw City I. S. D. No. 84	0	0	5,187
(38) 2401	Burbank I. S. D. No. 20	0	0	2,809
(39) 2404	Kildare I. S. D. No. 50	C	0	4,213
None	None			
Pennsylvania:				
(1) 1808	Centerville Sch. Dist.	32	777	520,001
(2) 1828	Warren Co. Sch. Dist.	0	0	31,466
Nor				
Rhode Island				
South Carolina:				
(1) 0901	McCormick Scho. Dist. No. 4	8	173	47,149
(2) 1203	S. D. No. 4 of Anderson Co.	0	0	16,862
South Dakota: (1) 0204	Douglas I. S. D. No. 3	2,421	303	1,873,709
Tennessee: (1) 0002	Stewart Co. Bd. of Ed.	0	284	66,879
Texas:				
(1) 0120	Gatesville I. S. D.	0	467	63,979
(2) 0831	Lewisville I. S. D.	0	0	76,269
(3) 1305	Zemalia I. S. D.	0	0	3,526
(4) 1307	Speegleville I. S. D.	0	0	5,880
(5) 1310	Brookland I. S. D.	0	0	8,749
(6) 1501	Comstock J. S. D.	0	0	6,910
(7) 1604	Broadus I. S. D.	3	57	11,359
(8) 1605	Etoile Common S. D. No. 10	0	0	4,512
(9) 1714	Bosqueville I. S. D.	0	18	7,335
(10) 1912	Lake Dallas I. S. D.	0	33	21,232
(11) 1916	San Paritz I. S. D.	0	0	14,380
(12) 2402	Taxine I. School Dist.	0	0	2,127
None	None			
Utah				
Vermont: (1) 2202	Sunderland Town Sch. Dist.	0	0	10,843
Virginia:				
(1) 1802	Sch. Bd. of Craig Co.	8	64	18,358
(2) 2301	Bath Co. Sch. System	4	56	23,273
Washington				
West Virginia				
Wisconsin				
Wyoming				
Guam				
Puerto Rico				
Virgin Islands				

State and number of section 2 applicants

Arkansas	5	Nebraska	7
California	10	New Jersey	2
Colorado	1	New York	1
Georgia	1	Ohio	5
Illinois	5	Oklahoma	89
Indiana	4	Pennsylvania	2
Iowa	4	South Carolina	2
Kansas	21	South Dakota	1
Kentucky	3	Tennessee	1
Michigan	5	Texas	12
Mississippi	1	Vermont	1
Missouri	24	Virginia	2
Montana	2	Total	161

Total Section 2, P.L. 874 Applicants, 161; States represented, 25; Section 2 Applicants do not qualify for Section 3, 62; Section 2 Applicants have no Section 3 connection, 38.5 percent.

All have lost at least 10 percent of assessed value due to federal acquisition of property.

The theory of Section 2 has very little connection with the federally connected student but a positive connection with loss of local revenue due to massive acquisition of real estate within a school district by the federal government.

CONFERENCE REPORT (H.R. 69)

Payments

(Level 1) Section 2 is not mentioned. However, it is possible that 25 percent of entitlement could be received.

(Level 2) Section 2 is still not mentioned. However, 35 percent might be possible.

Hold harmless clauses

1. Reductions in federal activities Section 3E.
2. Reductions in entitlements caused by changes in law does not relate to Section 2, only Section 3.

STATE OF HAWAII,
DEPARTMENT OF EDUCATION,
Honolulu, Hawaii, June 2, 1975.

Hon. CARL D. PERKINS,

Chairman, Committee on Education and Labor, General Subcommittee on Education, Rayburn House Office Building, Washington, D.C.

DEAR MR. PERKINS: We have received word from Mrs. Patsy Mink that you will be conducting oversight hearings for the Adult Education Act. It is also our understanding that your Committee will hear testimonies from the Adult Education Association and the National Association for Public Continuing and Adult Education (NAPCAE). We have already submitted our concerns to NAPCAE regarding the impact of the Adult Education Act, as amended.

Two areas of special concern to Hawaii are the 15 percent requirement for special projects and staff development and the 5 percent limitation on state administrative costs. We hope that additional appropriations and/or amendments can be made to alleviate these problems.

Your continued support for adult education is greatly appreciated.

With best wishes,

Sincerely yours,

NOBORU HIGA,
Program Specialist, Adult Basic Education.

AMERICAN PERSONNEL AND GUIDANCE ASSOCIATION,
June 5, 1975.

HON. CARL D. PERKINS,

Chairman, Subcommittee on Elementary, Secondary and Vocational Education, Rayburn House Office Building, Washington, D.C.

DEAR CHAIRMAN PERKINS: The passage of P.L. 93-380 has created a critical problem threatening the continued growth of this nation's school counseling and guidance services. In its careful deliberations on this particular legislation, it does not appear that this was the intent of the Congress. Rather, the matter has arisen because of conflicting language resulting from the consolidation of the guidance, counseling and testing provisions of ESEA III with ESEA II and NDEA III. This is the very unfortunate result of merging programs with differing purposes.

The conflicting language is found between Sections 421(a)(3)(c) and 403(a)(8)(A)(ii). It is obvious that the intent of the Congress was to continue the State Education Agency (SEA) level leadership, supervision, and service activities historically provided for in guidance, counseling and testing legislation and subsequent rules and regulations. Further, Section 421(b) contains the statement that, "... funds appropriated to carry out this part must be used only for the same purposes and for funding of the same types of programs authorized under those provisions." This provision is diametrically opposed by the pass-through requirement set forth in Section 403(a)(8)(A) which serves to effectively eliminate any fiscal capability of SEAs to carry out state-directed programs and lead-

ership activities using Part B funds as previously provided for under NDEA, V-A, and ESEA III—Guidance, Counseling and Testing. Under these latter laws, SEAs are able to provide leadership services and state-directed activities, projects and programs to directly service local education agencies (LEAs). These are *not* administrative activities or functions.

This serious threat to the support and services necessary to give continued attention to the needs of our nation's school counseling and guidance programs and personnel could be remedied by an amendment to P.L. 93-380. Specifically, we recommend the following amendment to Section 403(a)(8)(A)(ii): "... and that the remainder of such funds, except for funds not to exceed 2% of the annual appropriations for Part B or the amount expended in Fiscal Year 1975 whichever is greater to be used for purposes of Section 421(a)(8)(C) by the State Education Agency, shall be made available to local educational agencies . . ."

We also strongly urge that the words "Counseling and Guidance" be incorporated into the titles of Title IV and Part B of same. These are offered as suggestions:

1. Title IV—Libraries, Learning Resources, *Counseling and Guidance*, Educational Innovation and Support:

2. Part B—Libraries, Learning Resources, and *Counseling and Guidance*.

As documented in much of this Association's previous testimony before the Committee, the need for Federal support for school counseling and guidance programs is greater than ever before in our history. The monies and programs previously authorized have been significant and responsive. Unfortunately, appropriations have not been sufficient to meet needs, and amendments to the legislation have broadened the needs to be served, increased the expectations placed on SEA personnel to serve LEAs without increased appropriation, and eroded the support for counseling and guidance as a necessary, visible force to enhance the learning and career opportunities of our youth.

Failure to enact this proposed amendment would surely decimate SEA leadership and service roles and the personnel working for strengthened and expanded elementary and secondary school guidance and counseling. Included in these losses would be such as the following:

1. Direct, unique consultative services to LEAs to plan, develop and implement projects and activities to improve guidance programs (required under Sec. 403(a)(4)(B) of P.L. 93-380). This leadership service function usually involves SEA professionals working directly with at least 35% of each state's LEAs annually.

2. Direct services annually to all school counselors in each of the states through the medium of publications. These publications commonly report on promising practices in the profession, professional growth issues, and research and evaluation findings. The format used includes journals, monographs, pamphlets, and newsletters.

3. Direct service for the in-service and continuing education needs of practicing school counselors. As an average, at least 30 to 35% of each state's school counselors annually participate in at least one in-service education activity directed at strengthening their skills and abilities to better serve young people. Included are workshops, conferences, demonstrations, and exhibits.

4. Leadership activity in working with colleges and universities to improve certification and preparation standards for school counselors as well as involvement with counselors-in-training. Included are reviews/evaluations of university preparation programs, refinement of standards for certification and meetings with trainers and students.

5. State-directed projects and programs to demonstrate, experiment and evaluate various aspects of counseling and guidance. This involves both direct and indirect assistance to LEA personnel.

These activities include:

- 5.1. Pilot programs in elementary school guidance and counseling
- 5.2. The use of mobile vans to bring service into small school districts—especially in rural or depressed areas
- 5.3. State-wide occupational and educational information systems
- 5.4. Models for the use of para-professionals in guidance
- 5.5. Models for accountability in guidance and counseling
- 5.6. State-wide needs assessments
- 5.7. Research
- 5.8. Testing programs for pupils in private, non-profit schools
- 5.9. Coordination of provisions for guidance and counseling in other State and Federal legislation

Mr. Chairman, the American Personnel and Guidance Association very much appreciates the opportunity to submit this statement for the record. This is an urgent, most serious matter. It is the unfortunate, unintended product of the consolidation of significant, categorical education programs. Your Committee has a unique opportunity to rectify the matter and see that its desires are carried out in P.L. 93-380.

We are willing to provide further information, documentation or assistance as you see fit. Thank you.

Sincerely,

CHARLES L. LEWIS,
Executive Vice President.

STATE OF SOUTH DAKOTA,
EXECUTIVE OFFICE,
Pierre, S. Dak., June 10, 1975.

Hon. LARRY PRESSLER,
Longworth House Office Building,
Washington, D.C.

DEAR LARRY: As you may know, Title III of the Elementary and Secondary Education Act of 1965 has provided valuable assistance to South Dakota Schools for the development and testing of experimental new programs.

Proposed funding of this title for 1977 would provide only \$81,706 for South Dakota, with \$33,949 set aside for administration. This would provide only \$47,757 for program operation of which \$12,256 is designated for the handicapped. The 1974 Education Amendment provided for programming in Dropout Prevention and Nutrition and Health for the \$35,501 which remains. These latter programs were formerly funded directly by Washington to local agencies.

These levels of funding for 1977 preclude adequate support for these designated programs, and any successful conduct of the innovative programs formerly supported.

Your assistance in working to re-establish support for this program at levels comparable to 1976 (\$487,622 with \$150,000 for administration) or 1975 (\$672,376; \$150,000) would provide a valuable service to our state's schools.

Sincerely,

RICHARD F. KNEIP, *Governor.*

SOUTH DAKOTA DEPARTMENT OF EDUCATION AND CULTURAL AFFAIRS,
OFFICE OF THE SECRETARY,
June 9, 1975.

Hon. LARRY PRESSLER,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PRESSLER: This letter is to call to your attention the sharp reduction in federal support for 1977 for Title III, the Elementary and Secondary Education Act of 1965. Proposed funding is being reduced from \$487,622 and with \$150,000 for administration in 1976 to a proposed level of \$81,706 and \$33,949 for administration.

Title III has provided valuable support for new and experimental programs in South Dakota's schools. Given the requirements of the 1974 Education Amendment for the use of these funds and the proposed new level of funding, it is difficult to provide much in the way of services even of those mandated.

May I urge that you give support to efforts to seek a restoration of these funds to former levels to continue to provide help and encouragement to our local schools. Many valuable programs have been developed which have been replicated in other locations in the state.

Thank you for your interest and help.

Sincerely,

TOM KILIAN, *Secretary.*

**SOUTH DAKOTA DEPARTMENT OF EDUCATION AND CULTURAL AFFAIRS,
DIVISION OF ELEMENTARY AND SECONDARY EDUCATION,
Pierre, South Dak., June 6, 1975.**

Hon. LARRY PRESSLER,
Longworth House Office Building, Washington, D.C.

DEAR CONGRESSMAN PRESSLER: Title III of the Elementary and Secondary Education Act of 1965 was designed to test new concepts in elementary and secondary education and to disseminate the information gained by such activities to other schools. Several of these programs have been highly successful in South Dakota. Just to name a few: we have a reading program in Sioux Falls that shows a 2.5 year gain in one year, a team approach to Guidance in Brookings that is being copied by civic groups outside the school and a K-12 environment program in Chester that has had over 100 outside requests for their curriculum.

For the past few years Title III has had the following funding: 1973, \$634,682 with \$150,000 for administration; 1974, \$667,852 with \$150,000 administration; 1975, \$672,376 administration \$150,000; 1976, \$487,622 administration \$150,000; 1977, \$81,708 with \$33,949 for administration.

Please note that in 1977 this would be only \$47,757 for a program of which \$12,256 is earmarked by Federal Legislation for the handicapped. Of the \$35,501 remaining, the 1974 Education Amendment provides for program in Dropout Prevention and Nutrition and Health, formerly funded directly by Washington to the local education agency. This will not provide sufficient funds for either of these new programs, to say nothing of the innovative programs formerly being carried on.

In all the discussions prior to the enactment of the law everyone was assured that the states would be protected at the 1974 or some similar level. Anything that can be done to reestablish this level would help salvage this useful activity for the State.

Thank you for your assistance.

Sincerely,

F. R. WANEK,
Acting State Superintendent.

**SOUTH DAKOTA DEPARTMENT OF EDUCATION AND CULTURAL AFFAIRS,
DIVISION OF ELEMENTARY AND SECONDARY EDUCATION.
Pierre, S. Dak., June 13, 1975.**

Hon. LARRY PRESSLER,
House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR CONGRESSMAN PRESSLER: A couple of days ago we sent you some material on what South Dakota will lose on the new distribution formula for funding for the C portion of Title IV of the 1974 Education Amendments. Am enclosing a few notes that have been prepared by the Title III office indicating the number of students involved, schools involved, and the people affected by Title III funds in our State.

Trust this additional information will be useful to you.

Sincerely,

NORRIS M. PAULSON,
*Assistant Superintendent,
Finance Management.*

Enclosures.

The funds that were available to South Dakota through the Elementary and Secondary Act of 1965, Title III provided services to 5,678 students in eleven different projects during the 1973-74 school year. The projects were in the following school districts: Aberdeen; Brookings; Hot Springs; Huron; Lemmon; Sioux Falls (2); Webster; Wessington Springs; Wood; and Yankton.

The projects at Lemmon and Webster were both multi-district projects. The Lemmon multi-district included school districts of Buffalo, Bison, Faith, Isabel, Timber Lake, McLaughlin and McIntosh. The Webster multi-district included Roslyn, Sisseton, New Effington, Wilmont, Corona, Milbank and Summit.

The eleven projects employed fifteen full-time equivalent professional staff members, seven para-professionals, and six secretaries. In addition, approximately two hundred fifty teachers received some sort of inservice training that was relative to the particular project of their school.

During the 1974-75 school year all of the projects were continued except the one at Wedington Springs. Therefore, two hundred eighty less students were touched a part-time professional and part-time secretary were not funded, and eighteen fewer teachers received inservice. However, this was more than offset with the implementation of a mini-grant program. Twenty-five teachers were awarded grants of up to \$1,000.00 each to develop and implement an idea that they had in mind. While very little of this money was used for salaries, opportunities were made available to approximately 2,000 students that would not have been possible without the grants.

Areas in which innovative programs have been developed include: Reading, Career Education and Realization (both for entire student bodies and for the handicapped), Gifted and Talented programs, Peer Guidance, Motivation, Learning Disabilities, Fine Arts, School Alternatives, Speech Correction, Drug Education, Environmental Education, Group Process, Photography in the Classroom, Industrial Arts in the Elementary School, and Economics and Everyday Living.

With the near elimination of ESEA Title III to South Dakota, the development of programs such as these will cease and education in South Dakota will suffer a severe blow.

STATE OF VERMONT,
DEPARTMENT OF EDUCATION,
Montpelier, Vt., June 4, 1975.

Representative JAMES JEFFORDS,

U.S. House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR MR. JEFFORDS: Information is being submitted with respect to our previous discussions on the negative impact of the distribution formula in P.L. 93-380. Programs subsumed under Title IV of the Act, for which Vermont received an allocation, are NDEA Title III, ESEA Titles II, III and V.

Allocations Vermont received in fiscal year 1973, fiscal year 1974 and fiscal year 1975 as well as anticipated allocations for fiscal years 1976 and 1977 are as follows: 1973-\$1,461,318; 1974-\$1,214,807; 1975-\$1,183,219; 1976-\$1,124,706; and 1977-\$686,570.

Comparing the fiscal year 1975 allocation with fiscal years 1976 and 1977 anticipated allocations results in a net loss to Vermont of \$58,513 and \$490,649 respectively.

Sincerely yours,

LEON H. BRUNO,
Director of Federal Programs.

STATE OF VERMONT,
DEPARTMENT OF EDUCATION,
Montpelier, Vt., June 12, 1975.

Mr. JAMES JEFFORDS,

U.S. House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR MR. JEFFORDS: In addition to the previously submitted data concerning the impact of a reduction in Federal funds for education, the attached statement is provided for your information.

I trust that this will be helpful to you in your efforts to restore funding. If further assistance is needed, please advise.

Sincerely yours,

LEON H. BRUNO,
Director of Federal Programs.

Enclosure.

JUNE 12, 1975.

IMPACT OF LOSSES UNDER TITLE IV PART C, PUBLIC LAW 93-380

Severe reductions in educational programs and erosion of the State leadership role would be the impact on Vermont if Federal funds under the Elementary and Secondary Education Act are not restored.

The major negative impact would be felt in curtailment of Vermont's only avenue for research and development in education. The funds for innovative and exemplary programs on the local educational agency level currently support projects to:

Develop ways of teaching the metric system.

Experiment with alternative methods of motivating students.

Provide a more effective system of accountability and assessment of students' progress.

Develop effective education programs.

Provide an experimental program for training autistic children.

Provide opportunities for students to develop educational programs for student operated radio and television shows.

These programs and others would be aborted in their developmental stage. A program of providing small grants for teachers and students to experiment with new or improved practices in the classroom would be terminated. In one year alone the impact of this program affected over 6,000 students and over 200 teachers. This program, operating successfully since 1971, would be completely eliminated in terms of initiating new projects.

At the present time the program for strengthening the state department is supporting personnel in critical and essential service areas; i.e., deputy commissioner, legal counsel, data information services (which includes computing state aid to local agencies), public information services, subject matter specialists, planning services, superintendents' liaison, school facilities planning services, teacher certification, and teacher education services.

As a result of the economic situation in which Vermont finds itself, reinstatement of these programs would be impossible through State funds. There is no alternative source to this support in a rural state such as Vermont.

[Telegram]

STATE OF MAINE.

DEPARTMENT OF EDUCATIONAL AND CULTURAL SERVICES.

Augusta, Maine, June 19, 1975.

Hon. CARL PERKINS.

*Chairman, Education and Labor Committee,
Rayburn Building, Washington, D.C.*

DEAR CONGRESSMAN PERKINS: This is to advise you that unless a 200,000 dollar floor is restored to Part C Title 4 P.L. 93-380 or a hold harmless clause is passed for Part C there will be a serious reduction in the Farmer ESEA Title 3 (innovated programs) and Title 5 (strengthening state educational agencies) programs for fiscal year 77.

Part C for example in FY 77 is scheduled to receive 850,000 which is 294,000 less than the same programs will receive in FY 76. The 850,000 dollars for Part C FY 77 is only 61,000 dollars over the Title 3 ESEA allocation for fiscal year 75 let alone the 335,000 allocated for Title 5 in fiscal year 75. This level of funding for fiscal year 77 will certainly force this department to cut back on innovated projects as well as the dropout prevention program. I urge that you take every possible action to increase these consolidated funds for FY 77 either by establishing a program floor a hold harmless provision or by increasing the appropriation.

Thank you.

H. SAWIN MILETT, Jr.
Commissioner.

COUNCIL OF CHIEF STATE SCHOOL OFFICERS.
Washington, D.C., June 17, 1975.

Hon. CARL D. PERKINS.

*Chairman, House Committee on Education and Labor,
Rayburn House Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: As you know, a problem has arisen in the allocation of funds under PL 93-380. The Education Amendments of 1974. Title IV. Consolidated Programs. The minimum allocations in these programs which had previ-

ously been guaranteed to the less populous states were dropped. This has resulted in projected losses in FY 1977 of from 20 to 40% of these important educational program funds to 15 less populous states. The Committee reports on PL 93-380 make no mention of any Congressional intention to repeal these minimums.

As you may be aware objection was raised by representatives of the more populous states when an attempt was made to restore these funds through a hold-harmless provision in the FY 1976-77 HEW Appropriations Bill, HR 5901, in the House of Representatives. Since that time however, this Council, representing all state superintendents and commissioners of education, has discussed this matter with all states, and agreement has been reached among the state education agencies that a remedy can be applied which will cause no objection among the more populous states. We are informed that all state education agencies will now support the necessary appropriations and authorizations to raise the losing states to their FY 1974 levels, making no change in the allocation to other states under the consolidation allocation formula.

We are therefore urging the Appropriations Committee to add the necessary funds (we are informed that these do not exceed \$14 million dollars) to the first available appropriations bill, for this purpose. We are also urging the authorizing committees to take necessary legislative action to continue this remedy over the life of the authorization for PL 93-380.

We would appreciate your assistance in this matter.

Cordially,

RAY PETERSON,
Director, Federal-State Relations.

STATE OF WISCONSIN,
BOARD OF VOCATIONAL, TECHNICAL AND ADULT EDUCATION,
Madison, Wis., June 18, 1975.

Hon. CARL D. PERKINS,
Chairman, General Subcommittee on Education,
Rayburn House Office Building, Washington, D.C.

DEAR CHAIRMAN PERKINS: We have reviewed the testimony presented to your subcommittee on the request for a technical amendment to the Adult Education Act portion of the Educational Amendments of 1974.

This letter is written to indicate that we in Wisconsin support the concept of a minimum of 5 per cent of the state allotment be utilized for special experimental demonstration projects and teacher training.

It appears that the basic intent of Congress is to serve students who desperately need the services of the program. Wisconsin shares with other states, the following problems: Due to inflationary costs, for all aspects of the Adult Basic Education program, we find that we cannot expand instructional services to additional students on the existing budgets. However, due to unemployment there has been an inflow of students to the classroom. The end result has been that student waiting lists have developed in our VTAE districts.

While we view special project activities as desirable, we believe the students must be served. We do not intend to eliminate special project activities, however in a time of scarce resources we prefer to have a lesser mandated per cent for projects and additional funds for direct services to students.

Sincerely,

EUGENE LEHRMANN,
State Director.

STATE OF DELAWARE,
DEPARTMENT OF PUBLIC INSTRUCTION,
Dover, Del., June 19, 1975.

Hon. CARL PERKINS,
Chairman, Education and Labor Committee,
Rayburn Building, Washington, D.C.

DEAR CONGRESSMAN PERKINS: I would like to express my anxiety, as has Representative Pierre S. du Pont, concerning the seriousness to our small state of the loss of funds by the present Title IV (P. L. 93-380). If this legislation remains as is proposed under the revised formula, Delaware stands to lose \$451,098 in fiscal-year 1977 when full consolidation takes effect.

Specifically, under the old ESEA Title III, Delaware is currently maintaining twelve (12) projects, serving 3,215 children, and employing 38 teachers. You know, of course, that the ESEA Title III programs were intended to be three (3) year programs with a gradual shift of budget to local responsibility. Our present programs are about to enter the third year and would not, therefore, be renewable for the school year ending 1976.

Beginning in September 1975 for FY '76, we had intended to introduce nine (9) new programs but with the present allocation under Part C, Title IV P.L. 93-380, they cannot be approved. This represents 3,626 students being deprived of the type of education we feel is necessary in order to try our new ideas and provide an atmosphere in which creativity can flourish. These nine (9) programs would also provide employment for approximately 43 teachers.

During FY '77 under Part C, Innovative Programs, Delaware's allocation is only \$4,575 which will only allow one small program to operate in the entire state. Also, four professional and two secretarial positions will have to be terminated. It is indeed unfortunate that the Children of Delaware during FY '77 will not have the same opportunity to be involved in Innovative Programs which will be enjoyed by children of the more populous states to a greater extent than now exists.

Thank you for any concern that you will show Delaware.

Sincerely,

KENNETH C. MADDEN,
State Superintendent.

STATE OF CALIFORNIA,
DEPARTMENT OF EDUCATION,
Sacramento, Calif., June 25, 1975.

Hon. CARL PERKINS,
Chairman, House Committee on Education and Labor, U.S. House of Representatives, Washington, D.C.

DEAR CARL: We have reviewed carefully the provisions contained in P.L. 93-380, the Education Amendments of 1974. Four major areas of concern have been identified during this review which we believe will cause serious problems to us and the school districts of California. These issues are:

1. *Comparability*: As you may know, we have initiated a series of reforms of California's K-12 education system. Our efforts at this time are concentrated on restructuring Early Childhood Education in kindergarten through grade 3. This statewide effort is being expanded to all schools in a phase-in program which will encompass four to five years. During the second year of the phase-in (1974-75), the reform effort was undertaken in more than 1300 schools serving 22 percent of our K-3 population. We see potential problems for our districts in meeting ESEA Title I comparability standards during the phasing-in of this and other reform efforts which are currently being planned. I am therefore recommending for your consideration language which will enable the Commissioner of Education to waive excess costs associated with these reforms during their phase-in periods only.

2. *Maintenance of Effort*: Our recommended amendments include language changes to enhance the maintenance of effort provisions contained in ESEA Title IV. These are (a) using *per pupil* rather than *aggregate* expenditures in defining maintenance of effort which is very important during this period of widespread declining enrollments, and (b) using expenditures for instruction rather than for the individual programs and activities which are consolidated. We believe that the individual program requirements will be difficult to administer and that districts should be given greater flexibility to direct their state and local general funds to instructional areas of greatest need.

3. *Bilingual Education District Advisory Committees*: I recommend that you consider amendments which (a) would ensure the participation of parents of English-speaking children on the mandated advisory committees and (b) would enable districts to use existing advisory committees if parents of non-English speaking children are members of those committees. The first amendment is necessary because Federal law requires the participation of English-speaking children in bilingual education programs supported with Federal funds. The latter amendment would enhance the participation of parents of non-English speaking children in the planning and utilization of other resources such as ESEA Title I funds to meet the needs of non-English speaking children.

4. State Advisory Council for ESEA Title IV: Current statutory provisions mandate that the Council evaluate all ESEA Title IV programs and projects. We are recommending an amendment which would provide that the Council advise on the evaluation. This change would clarify the advisory role of the Council and would provide for more meaningful input from the Council than could be obtained if it had responsibility for evaluating the use of Title IV funds in more than 1,000 school districts.

Suggested language for amendments in each of these four areas and further detail on the need for these changes are attached.

I would welcome your careful consideration of each of these as you continue your deliberations on technical changes in P.L. 93-380. I would be happy to provide you with any additional background or clarification that you might need.

Warm personal regards.

Sincerely,

WILSON RILES.

[Sec. 103(a)(9)(K), Sec. 403 of Public Law 81-874]

ESEA, TITLE I—COMPARABILITY

EXISTING LAW

"Excess costs means those costs directly attributable to programs and projects which exceed the average per pupil expenditures of a local educational agency in the most recent year for which satisfactory data are available for pupils in the grade or grades included in such programs or projects (but not including expenditures for any comparable State or local special programs for educationally deprived children or expenditures for bilingual programs or special education for handicapped children or children with specific learning disabilities, if such expenditures for bilingual education and special education are used to provide, to children of limited English-speaking ability and handicapped children, and children with specific learning disabilities who reside in Title I project areas, services which are comparable to those provided to similarly disadvantaged children residing in non-project areas.)"

JUSTIFICATION FOR CHANGE

In California, the Early Childhood Education Program which is a top priority of the Superintendent of Public Instruction, is scheduled to be phased into all schools K-3 over a five-year period.

By law, these funds cannot be uniformly distributed to all schools, but must be concentrated on all K-3 pupils in a selected school. At least one-half of the funds must be utilized in the schools of greatest educational disadvantage, however, if this school does not qualify on the basis of economic disadvantage or if the school is served with the unrestricted half of the allocation, problems of comparability develop.

This situation will become increasingly critical as the program is expanded until such time that all K-3 children are served in public schools throughout the state.

Also, as the reform of intermediate and secondary education is phased in, this situation will reoccur.

The recommended amendment is proposed in order that programs which are complimentary to Title I and in fact are designed to improve the quality of education can be phased in without being in conflict.

RECOMMENDED AMENDMENT

Excess costs means those costs directly attributable to programs and projects which exceed the average per pupil expenditures of a local educational agency in the most recent year for which satisfactory data are available for pupils in the grade or grades included in such programs or projects but not including expenditures for any comparable State or local special programs for educationally deprived children or expenditures for bilingual programs or special education for handicapped children or children with specific learning disabilities, if such expenditures for bilingual education and special education are used to provide, to children of limited English-speaking ability and handicapped children, and

children with specific learning disabilities who reside in Title I project areas, services which are comparable to those provided to similarly disadvantaged children residing in non-project areas. *The Commissioner of Education is authorized to waive other programs or projects upon request of a State Educational Agency while such program or project is being phased in and is intended to meet the needs of all children in the appropriate category.*

[Proposed Amendment to Public Law 93-380, Sec. 401. Sec. 403(n)(11)]

ESFA, TITLE IV—MAINTENANCE OF EFFORT

EXISTING LAW

"Assurance that the aggregate amount to be expended by the State and its local educational agencies from funds derived from non-Federal sources for programs described in section 421(a) for a fiscal year will not be less than the amount so expended for the preceding fiscal year."

JUSTIFICATION FOR CHANGE

The existing law requires determination of the total amount expended in the state for these programs and maintenance of that level of expenditure. Because of economic conditions and declining enrollment it is probable that states will not be able to report the same level of expenditure. With declining enrollment states could maintain program effort per child but not meet total dollar requirement. Also, the total expenditure for these programs has heretofore not been determined and would require analysis far beyond that previously required. For example, districts matched funds to buy certain equipment under NDEA III but may also have purchased a great deal more which was not included in the application for this program. Use of data reflecting instructional costs is advocated so as to allow district flexibility in use of resources to meet pupil needs. In order to address the declining enrollment factor it is recommended that the level of expenditure be based on the *per pupil* expenditure rather than the total of all expenditures. Such determination of per pupil expenditures should be obtained from most recent financial reports. Data on the "preceding" year may not be readily available. Therefore it is recommended that the law be amended to reflect *per pupil instructional costs* from available annual reports.

RECOMMENDED AMENDMENT

Assurance that the aggregate *per pupil* amount for *instructional purposes* expended by the state and its local educational agencies from funds derived from non-Federal sources will not be less than the amount expended for the lesser of the two preceding years.

[Proposed Amendment to Public Law 93-380, Sec. 103, Sec. 703(a)(4)(E)]

ESEA, TITLE VII—BILINGUAL EDUCATION PARENT ADVISORY COMMITTEE

EXISTING LAW

"... the applicant will provide for participation by a committee composed of, and selected by, such parents, (i.e., parents of children of limited English-speaking ability). . . ."

JUSTIFICATION FOR CHANGE

The existing law requires a parent advisory committee which is limited to parents of children of limited-English speaking ability. California has encouraged involvement of parents in these special programs. Since there are many programs which may provide services to limited English-speaking children, establishment of a separate committee would serve to the disadvantage of this bilingual program since the parents would not have access to information regarding other resources. Further, since a parent advisory committee structure has been instituted in every school district and in many schools, it is appropriate to permit the district to utilize the existing structure as a means for obtaining comprehensive planning which is essential to optimum utilization of resources. Also, limited English-speaking children are not segregated; they are in classes with other pupils and

benefit by such arrangements. It would be inconsistent to establish a separate advisory committee for parents of non-English speaking children when the principle of integration is required.

RECOMMENDED AMENDMENT

"...the applicant will provide for participation by parents, and the district may designate for this purpose a districtwide advisory committee on which parents or guardians or both, of limited-English-speaking pupils, are represented."

[Proposed Amendment to Public Law 93-380, Sec. 40.1, Section 403(b)(1)(C)]

ESEA, TITLE IV—ADVISORY COUNCIL DUTIES

EXISTING LAW

The State Advisory Council shall: "(C) evaluate all programs and projects assisted under this title;"

JUSTIFICATION FOR CHANGE

As stated in the law, the advisory council for Title IV is responsible for the evaluation function. It is considered inappropriate and, in fact, impossible for such council to be charged with evaluation responsibility for the large number of projects in California.

Evaluation is one of the management functions to be performed by the applicant and the State according to established criteria. It is considered appropriate for the council to advise on the establishment of these criteria for evaluation just as in provision (B) the council advises the State on other policy matters, etc. The proposed amendment would clarify the role of the council as an advisory body.

RECOMMENDED AMENDMENT

(C) advise in the evaluation of programs and projects assisted under this title;

STATE DEPARTMENT OF EDUCATION,
DIVISION OF PUBLIC SCHOOLS,
Jefferson City, Mo., June 5, 1975.

Dr. CASPAR WEINBERGER,
Secretary, Health, Education, and Welfare, Washington, D.C.

DEAR DR. WEINBERGER: I would like very much to request your help in securing a change in the proposed modifications of P.L. 89-10, Title IV, as amended, by P.L. 93-380, Parts B and C for FY 1977, for Testing, Guidance and Counseling. The modification which is proposed would limit supervisory and leadership services for guidance and counseling programs to those performed in relation to administration of the annual program plan.

This concept, if allowed to become the rule, will place an extreme hardship on many states in the state supervisory and leadership area. Even in the testing program, the proposal would have the local educational agency to determine if it wanted to assign its Part B funds to the state or an intermediate unit. This will create chaos.

The effect of these modifications will range from decimation to complete loss of the guidance staffs of many state departments of education. Many states have staffs already using the total administrative amounts for Title I, Title II and Title III of ESEA and have no way of now including guidance and counseling. I feel certain that you recognize the fact that they will have no desire to dismiss staff members to take on guidance personnel—especially when they have been provided for under program funds.

State legislatures resent this behavior at the Federal level. They claim that Federal programs are started without state involvement and then are suddenly dropped in their laps for state funding. In a time when states are hard pressed to fund ongoing programs it is evident that resentment will be further increased when state personnel ask for increased funding to support additional personnel because of rule changes at the Federal level.

We can ill afford to have an arbitrary decision, such as the proposed modification, made at this time. There has never been a time in our history when the needs of our youth are more pronounced. Drug abuse, crime, juvenile delinquency, career decision-making needs, the need for development of a positive self-concept, sex equality, minority needs and on and on. The modifications appear to be short-sighted and will cause more concern for institutional interests than for planned, articulated programs to better serve the students.

I feel that many other state directors of guidance would support what I have said. I now have four men paid from Title III, ESEA funds. The Title III and Title II personnel are already fully staffed and there are no administrative funds to pick up the guidance staff. You can see that the problem I am concerned with is not just in some other state but is close to home.

I appreciate this opportunity to express a very deep concern of mine. I hope that you concur with my thoughts and that you will be able to do something that will reverse this proposal.

Best personal good wishes to you.

Yours very truly,

CHARLES FOSTEA,
Director, Guidance Services.

NEW YORK STATE PERSONNEL AND GUIDANCE ASSOCIATION, INC.

June 30, 1975.

Hon. CARL D. PERKINS,
Chairman, Subcommittee on Elementary, Secondary and Vocational Education, Rayburn House Office Building, Washington, D.C.

DEAR CHAIRMAN PERKINS: The passage of P.L. 93-380 has created a critical problem threatening the continued growth of this nation's school counseling and guidance services. In its careful deliberations on this particular legislation, it does not appear that this was the intent of the Congress. Rather, the matter has arisen because of conflicting language resulting from the consolidation of the guidance, counseling and testing provisions of ESEA III with ESEA II and NDEA III. This is the very unfortunate result of merging programs with differing purposes.

The conflicting language is found between Sections 421 (a) (8) (A) (ii). It is obvious that the intent of the Congress was to continue the State Education Agency (SEA) level leadership, supervision, and service activities historically provided for in guidance, counseling and testing legislation and subsequent rules and regulations. Further, Section 421 (b) contains the statement that "... funds appropriated to carry out this part must be used only for the same purposes and for funding of the same types of programs authorized under those provisions." This provision is opposed by the pass-through requirement set forth in Section 403 (a) (8) (A) which serves to effectively eliminate any fiscal capability of SEAs to carry out state-directed programs and leadership activities using Part B funds as previously provided for under NDEA, V-A, and ESEA III—Guidance, Counselling and Testing. Under these latter laws, SEAs were able to provide leadership services and state-directed activities, projects and programs to directly service local education agencies (LEAs). These are not merely administrative activities or functions.

This serious threat to the support and services necessary to give continued attention to the needs of our nation's school counseling and guidance programs and personnel could be remedied by an amendment to P.L. 93-380. Specifically, we recommend the following amendment to Section 403 (a) (8) (A) (ii); "... and that the remainder of such funds, except for funds not to exceed 2% of the annual appropriations for Part B or the amount expended in Fiscal Year 1975 which ever is greater to be used for purposes of Section 421 (a) (8) (C) by the State Education Agency, shall be made available to local educational agencies . . ."

The need for school counseling and guidance programs is greater than ever before in our history. The monies and programs previously authorized have been significant and responsive. Unfortunately, amendments to the legislation have broadened the needs to be served, increased the expectations placed on SEA personnel to serve LEAs without increased appropriation, and eroded the support for counseling and guidance as a necessary, visible force to enhance the learning and career opportunities of our youth.

Failure to enact this proposed amendment would surely decimate SEA leadership and service roles and the personnel working for strengthened and expanded elementary and secondary school guidance and counseling. Included in these losses would be:

1. Direct, unique consultative service to LEAs to plan, develop and implement projects and activities to improve guidance programs (required under Sec. 403(a)(4)(B) of P.L. 93-380). This leadership service function usually involves SEA professionals working directly with at least 35% of each state's LEAs annually.
 2. Direct service for the in-service and continuing education needs of practicing school counselors. As an average, at least 30 to 35% of each state's school counselors annually participate in at least one in-service education activity directed at strengthening their skills and abilities to better serve young people. Included are workshops, conferences, demonstrations, and exhibits.
 3. Leadership activity in working with colleges and universities to improve certification and preparation standards for school counselors as well as involvement with counselors-in-training. Included are reviews/evaluations of university preparation programs, refinement of standards for certification and meetings with trainers and students.
 4. Direct services annually to all school counselors in each of the states through the medium of publications. These publications commonly report on promising practices in the profession, professional growth issues, and research and evaluation findings. The format used includes journals, monographs, pamphlets, and newsletters.
 5. State-directed projects and programs to demonstrate, experiment and evaluate various aspects of counseling and guidance. This involves both direct and indirect assistance to LEA personnel.
- These activities include:
- 5.1. Models for accountability in guidance and counseling.
 - 5.2. State-wide needs assessments.
 - 5.3. Pilot programs in elementary school guidance and counseling.
 - 5.4. The use of mobile vans to bring service into small school districts—especially in rural or depressed areas.
 - 5.5. State-wide occupational and educational information systems.
 - 5.6. Models for the use of para-professionals in guidance.
 - 5.7. Research.
 - 5.8. Testing programs for pupils in private, non-profit schools.
 - 5.9. Coordination of provisions for guidance and counseling in other State and Federal legislation.

Mr. Chairman, the New York State Personnel and Guidance Association appreciates the opportunity to submit this statement for the record. The matter to which we refer is the unfortunate, unintended product of the consolidation of significant, categorical education programs. Your Committee has a unique opportunity to rectify the matter and see that its desires are carried out in P.L. 93-380.

We are willing to provide further information, documentation or assistance as you see fit.

Sincerely,

DAVID G. ZIMPFER,
President.